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Alaska
Public Utilities Commission

FOURTEENTH ANNUAL REPORT

TO THE ALASKA LEGISLATURE

For The Year Ending

December 31, 1983

Including 1983 Utility

Operating Results

BILL SHEFFIELD, GOVERNOR

ALASKA PUBLIC UTILITIES COMMISSION
DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT

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August 15, 1984

The Honorable Joe L. Hayes
Speaker of the House
and
The Honorable Jalmar M. Kerttula
President of the Senate

Gentlemen:

Pursuant to AS 42.05.211, we herewith submit to the Legislature through your offices the Fourteenth Annual Report of the Alaska Public Utilities Commission covering the calendar year ended December 31, 1983.

Respectfully yours,

ALASKA PUBLIC UTILITIES COMMISSION

Chairman

Commissioner

Susan M. Knowles
Commissioner

Diana E. Saverda
Commissioner

Commissioner

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MESSAGE FROM THE CHAIRMAN

The format and the timing of the 14th Annual Report of the Alaska Public Utilities Commission to the Legislature are changed. The Commission is publishing this Annual Report to coincide with Fiscal Year 1984 because it believes that the utility operating financial statistics should be as current as possible.[1] With the concurrence of the Legislature this time frame will be used in the future.

The decisions before the Commission continue to increase and become more technical and complex as the regulatory process in Alaska matures and is required to respond to issues raised by the economic conditions of the eighties. Faced with the reality of an increasing backlog and anticipation of a tremendous workload as a result of national telecommunications deregulation policies, the Commissioners have developed a procedure to more efficiently process the decision-making function of regulatory proceedings. As soon as financially possible (as a result of two additional positions approved by the last legislature) the Commissioners will hire legal assistance to draft Commission decisions. This procedure should substantially reduce the lag between the hearing process and the issuance of decisions with no sacrifice to the quality of the Commission's work product.

About seven years ago, the Commission decided that its "extra-curricular" activities in the National Association of Regulatory Utility Commissioners (NARUC) would focus on establishing seniority in and credibility with the NARUC. To that end, Commissioners Susan Knowles and Marvin Weatherly have actively engaged in NARUC responsibilities. This strategy has paid off. Today, Commissioner Weatherly sits on the Joint Board of the Federal Communications Commission (FCC), one of four State Commissioners and three FCC Commissioners. This Joint Board is addressing the following issues of critical importance to the State of Alaska:

1. Universal telephone service at affordable rates;
2. Transition to a competitive telecommunications environment;
3. Equal access to local exchange operators by all carriers.

It is noteworthy that Commissioner Weatherly is the only State Regulatory Commissioner on the Joint Board representing the Western Region of the United States. His selection was the result of his longstanding membership on the NARUC Communications Committee, as well

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[1] Audited financial results of utilities are not available until April or May of the year following the calendar reporting year.

as his recognized expertise in the telecommunications area. Because of the importance of national telecommunications policy to the State of Alaska, the Commission has encouraged and assisted the Department of Administration in bringing FCC Commissioners to Alaska to see first hand the challenge of an environment in which telecommunications must function. Because of the tremendous impact the Joint Board decisions will have on rural America and particularly rural Alaska, the Commission agreed to assign the Chief of its Common Carrier Section, Kathleen Whiteaker, to become Chairman of the Staff Subcommittee of tne Joint Board. This action puts Alaska in a working role with the staff of the FCC, a situation which should have short-term and long-term benefits.

Commissioner Knowles has pursued a course of activity within NARUC that will culminate in her election in November 1984, as the first woman President of this 98 year old organization. This responsibility will place Alaska in another favorable position to have its needs with regard to national utility policy recognized.

Fiscal Year 1985 will not lack for new challenge and continuing workload. The Commission will continue to review its productivity and efficiencies with the goal of improvement wherever possible.

Carolyn S. Guess, Chairman

MESSAGE FROM THE EXECUTIVE DIRECTOR

Among the many significant regulatory events described throughout this report, other Alaska Public Utilities Commission (APUC) efforts at improved efficiency and economy continue to take place. Two such activities stand out and are the subject of this brief message.

In 1982, the Commission acquired its own in-house data processing capability. The computer plan that was developed prior to purchase identified several objectives including applications for electronic spreadsheets, modeling, regulatory analysis and management information. While it was always expected that the availability of a powerful information handling tool would be productive, even the most optimistic forecast fell short of identifying all of the benefits produced by this system. Virtually all Commission employees now take advantage of the system capacity to process and store information. The drafting of almost all Commission legal and analytical documents is assisted by the computer prior to final production in the integrated word processing system. New applications for computer support in areas such as Power Cost Equalization, order indexing, utility cost allocations and the development of a central database are now being considered. The only source of frustration comes with the full utilization of the system at a time of ever increasing demand. In response, the Commission is currently evaluating options to expand the existing system for near term relief while it pursues both planning and resources for a more fully functional configuration aimed at current and future needs.

The second item presented here describes the APUC's response to an escalating demand for specialized professional services. Noting that the Commission is staffed to meet an average workload, the trend towards increased caseload and highly complex issues makes it difficult to timely react with existing resources. AS 42.05.651 authorized the APUC to allocate certain costs of regulatory proceedings to parties appearing before the Commission. These costs may include audit related expenses, hearing costs and those costs associated with providing specialized expertise not otherwise available within the Commission itself. General Fund limitations, however, impact the Commission ability to bring together necessary resources even though the cost associated with the proceeding would be ultimately allocated to the parties. In the past, this situation threatened to delay

matters awaiting Commission action. The APUC's approach to both the need for expert assistance, as well as minimizing General Fund expenditure growth, has been an expanded use of program receipt revenue to fund these essential activities. Program receipt revenue (as presented on page 66 in the Appendix) was substantially increased in fiscal years 1983 and 1984 and the trend is expected to continue in FY 1985. The availability of this revenue source has allowed the Commission to respond to such major filings as the latest phase of the Alascom rate case and the proposed acquisition by Pacific Telecom, Inc. of the Juneau - Douglas and Glacier State Telephone Companies and the MultiVisions cable television systems. While other forms of alternative funding are being studied and may be found to be preferable, the use of program receipts has improved the quality and timeliness of Commission decisions without adversely affecting the General Fund budget.

The goal of the APUC to provide the highest level of service will continue to direct our efforts developing other methods to meet changing conditions and anticipated increases in workload.

John B. Farleigh
Executive Director

COMMISSION PERFORMANCE

The Alaska Public Utilities Commission is primarily reactive in its workload; it responds to requests from prospective and existing utilities and pipelines to serve new areas and routes; it must approve every rate, rule, and regulation of a regulated public utility and pipeline carrier; and it investigates and responds to consumer and shipper inquiries and complaints concerning rates and practices of utilities and pipelines.

Calendar year 1983 showed a continued and marked increase in the number of certification proceedings, with the most substantial impact being in requests for transfer of certificates from one utility to another and in requests to acquire controlling interest in certificated Alaskan utilities (Exhibit I, Certification Proceedings, 1980-83).

EXHIBIT I

CERTIFICATION PROCEEDINGS
Applications Received 1980-1983

CATEGORY	1980	1981	1982	1983
New Certificates	8	13	16	23
Amendments	14	25	18	15
Certificate Transfers	6	2	4	8
Acquisitions	9	2	1	4
TOTAL	37	42	39	50
CATV	5	3	3	9
Electric	5	7	9	7
Gas	0	0	2	1
Pipeline	0	0	1	1
Refuse	7	7	1	10
Telecommunications	12	24	11	9
Wastewater	2	0	0	5
Water	6	1	12	8
TOTAL	37	42	39	50

Exhibit I shows continuing interest in providing cable television service to Alaskans which, for the most part, reflects a desire on the part of the people in rural Alaska to obtain this service. The tenfold increase in refuse applications was caused by allegations that existing certificated refuse and garbage utility carriers provided an unsatisfactory level of service in the Matanuska-Susitna Borough.

Because of the enactment of the Power Cost Equalization Program in 1984, the Commission estimates at least a 50 percent increase in requests for new certificates of public convenience and necessity in fiscal year 1985. Assuming the other category levels remain the same, this could result in a 25 percent increase in overall certification workload in fiscal year 1985 which is comparable to the increase experienced in 1983. (Exhibit II Applications Received, 1980-83).

EXHIBIT II

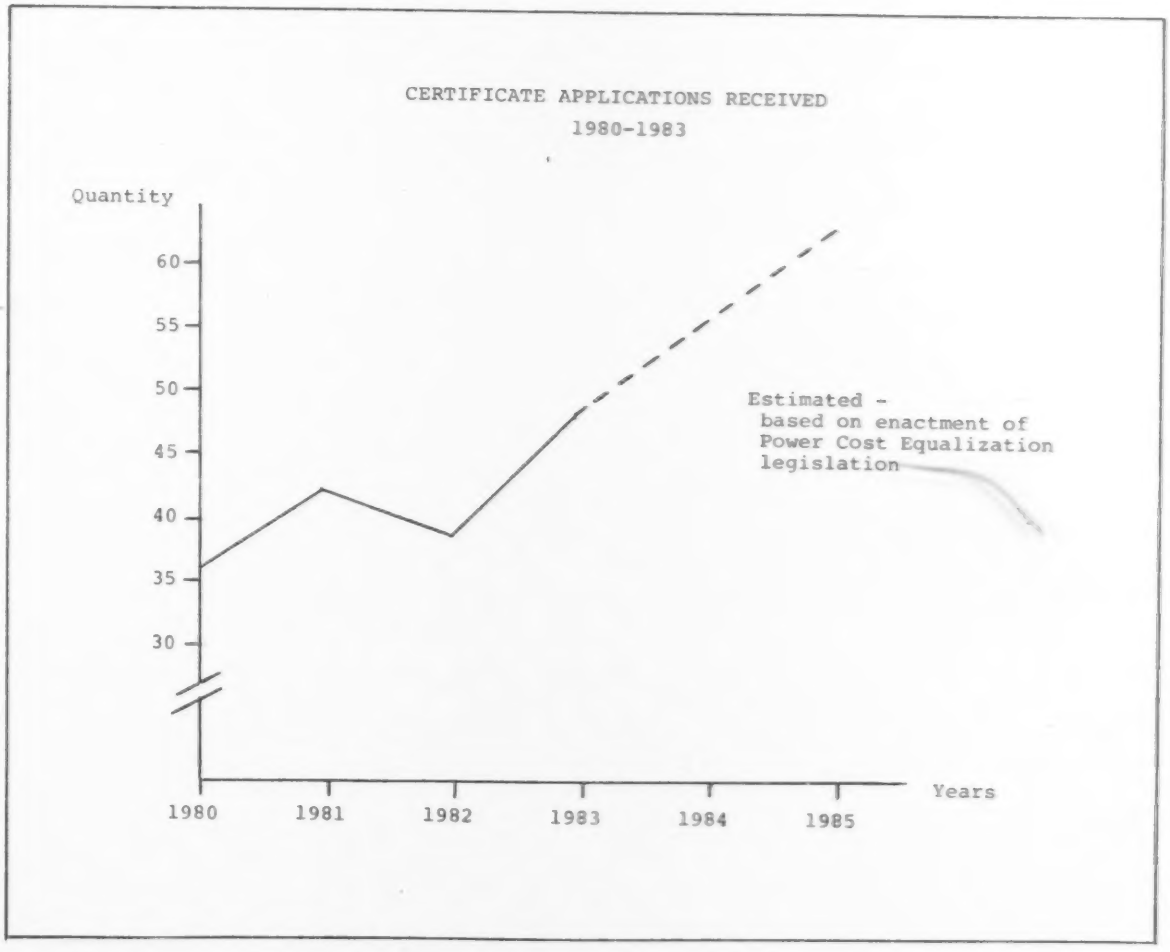
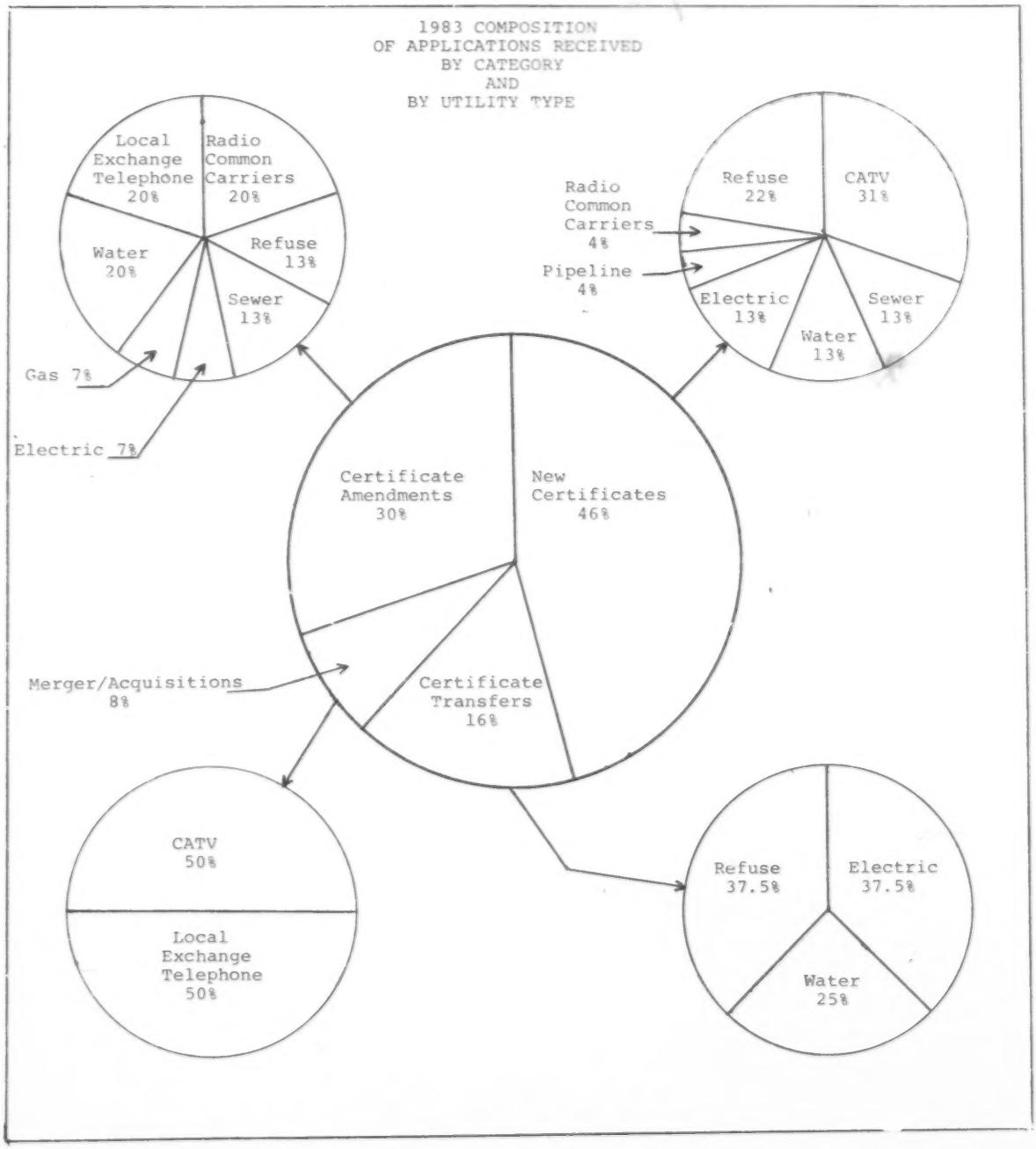


Exhibit III graphs the 1983 Composition of Applications received by category and by utility type. The volume of activity in the telcommunications area is significant and underscores the Commission concern that national policies of the federal government will continue to increase the Commission's workload in this frequently changing and volatile regulatory arena.

EXHIBIT III



Of 277 certificated utilities, 114 are economically regulated. Exhibit IV, Requested Changes to Utility and Pipeline Tariffs, shows a statistical breakdown of requests for changes in regulated utility and pipeline tariffs since 1980. Of the total proposed tariff changes in 1983, 82 percent were rate related; over 59 percent of the rate related filings were prompted by changes in fuel costs. Each time a fuel increase or decrease triggers a rate change, the Power Cost Assistance subsidy as well as the rate which a utility offers to small power producers for non-firm power purchases must be adjusted. It should be noted that eligible utilities receiving power cost assistance are not all required to be economically regulated.[1] At the present time, 66 utilities receive Power Cost Assistance; the change in this program to Power Cost Equalization (ch. 133, SLA 1984) is anticipated to increase the number of eligible utilities participating in the program by 44 percent and to have a commensurate impact on the Commission's workload.

EXHIBIT IV

REQUESTED CHANGES TO
UTILITY AND PIPELINE TARIFFS
1980-1983

CATEGORY	1980	1981	1982	1983
General Rate Increase	32	19	20	12
General Rate Restructuring	1	1	6	14
Rates - Other	37	35	15	38
Fuel Cost Rate Adjustment/Power Cost Assistance/Non-Firm Power Purchase Rate	160	158	130	169
Gas Cost Rate Adjustment/Cost of Power Adjustment	12	12	18	25
Wholesale Power Cost Rate Adjustment	0	2	9	9
.....				
Change in Rules	15	14	36	31
New Service/Equipment Offerings	54	31	33	4
Contracts	14	7	9	8
Miscellaneous	30	25	21	15
TOTAL	355	304	297	325

[1]Electric utilities with gross annual revenues of less than $50,000 and those owned and operated by political subdivisions are exempt from economic regulation, although the latter may become regulated if 25 percent of the subscribers petition for economic regulation.

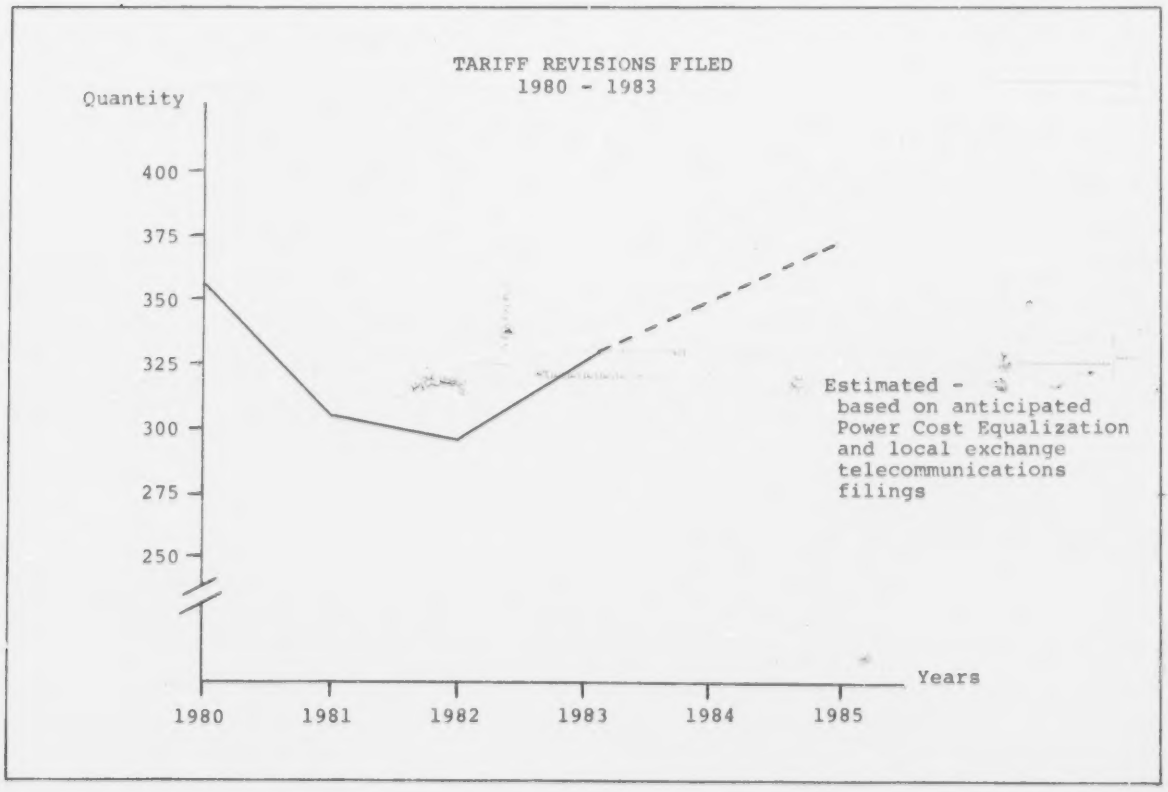
The decline in general rate increase requests is attributable to a more stable economic environment during 1983. Regulated utilities, particularly electric utilities, appear to have caught up with inflation and are able to plan for smaller rate requests in a more predictable time frame.

Of particular significance to the Commission's workload in 1983, was an increase of over 125 percent in the number of general rate restructuring requests, the majority from electric utilities. Rate restructuring requests, a more complicated and time-consuming process than most general rate increases, have resulted in movement away from declining block rate pricing to flattened rates - prompted in large part by Commission policy embodied in rate design regulations.

The decrease in new service and equipment offerings evident in 1983 should continue because of the Federal Communications Commission (FCC) decision to deregulate all terminal equipment offered by telecommunications utilities as of January 1, 1983.

As Exhibit V, Tariff Revisions Filed 1980-1983, indicates, in addition to the increased tariff revision workload as a result of power cost equalization, the number of general rate increase requests is expected to more than double in the next two years. This is a result of FCC decisions which are expected to decrease revenues heretofore paid to local exchange telephone companies for the use of their facilities in providing interstate toll service.

EXHIBIT V



If permanent Commission action on a utility request is not possible within 45 days, a longer investigation period is necessary wherein the Commission Staff is usually required to conduct an extensive audit or investigation.

As Exhibit VI, Dockets Opened 1980-1983, shows, this category of workload does not appear to have varied significantly during 1980 - 1983. It is interesting to note that the number of substantive requests requiring audit and investigation vary between 15 and 20 percent of total requests filed by utilities annually. (Compare totals of Exhibit IV and VI). Rate-related dockets constitute more than one-half of all dockets opened in each of the years reported in Exhibit VI. The 500 percent increase in rate restructuring proceedings in 1983 (Exhibit VI) has required substantial Staff analysis and public hearings; the allocation of expenses to various classes of consumers is technical and often complex.

While there are only a few quality of service investigations, they occur when the reliability and safety of utility service has deteriorated to a critical point where, in most instances, the public health and safety have been effected. Once a quality of service investigation is instituted, corrective action is forthcoming, although it can take from one to three years to effect positive results because of due process constraints and the length of time required to change crisis conditions. Most of these investigations tend to be in rural Alaska where it is expensive and time consuming to monitor utility services and practices.

EXHIBIT VI

DOCKETS OPENED
1980-1983
(Other Than Certification Proceedings)

DOCKET CATEGORY	1980	1981	1982	1983
General Rate Increase	20	15	12	8
Rate Restructuring	3	4	3	15
Rates - Other	11	15	13	5
Change in Rules	5	6	5	4
New Service/Equipment Offerings	2	7	3	2
Contracts	3	2	2	1
Quality of Service	2	3	2	2
Management Practices	0	1	3	1
Generic Proceedings	2	4	1	2
Regulations (Commission Initiated)	2	2	1	2
Interconnect Agreements	0	0	1	3
Miscellaneous	12	2	1	9
TOTAL	62	61	47	54

EXHIBIT VI (CONTINUED)

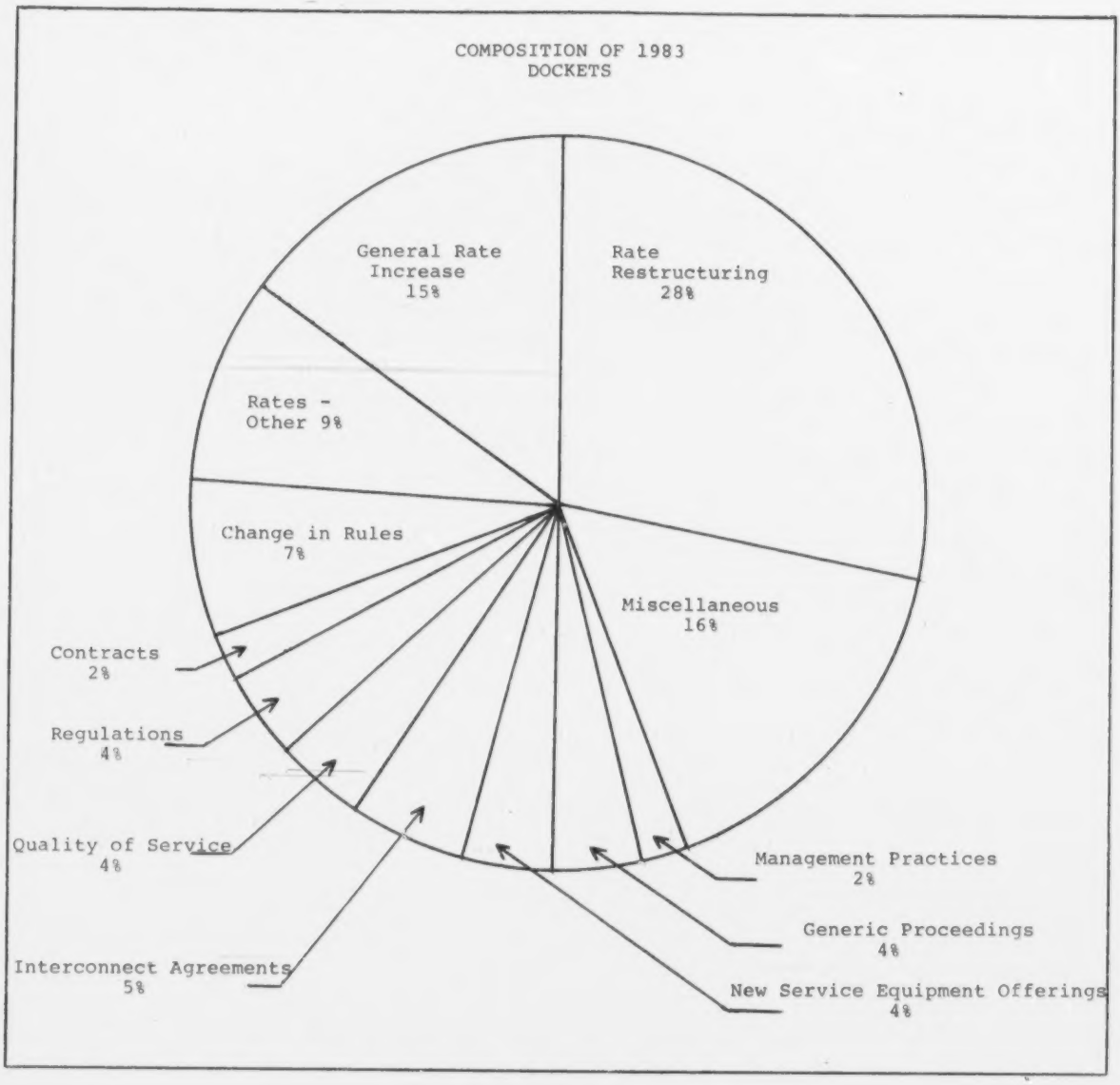
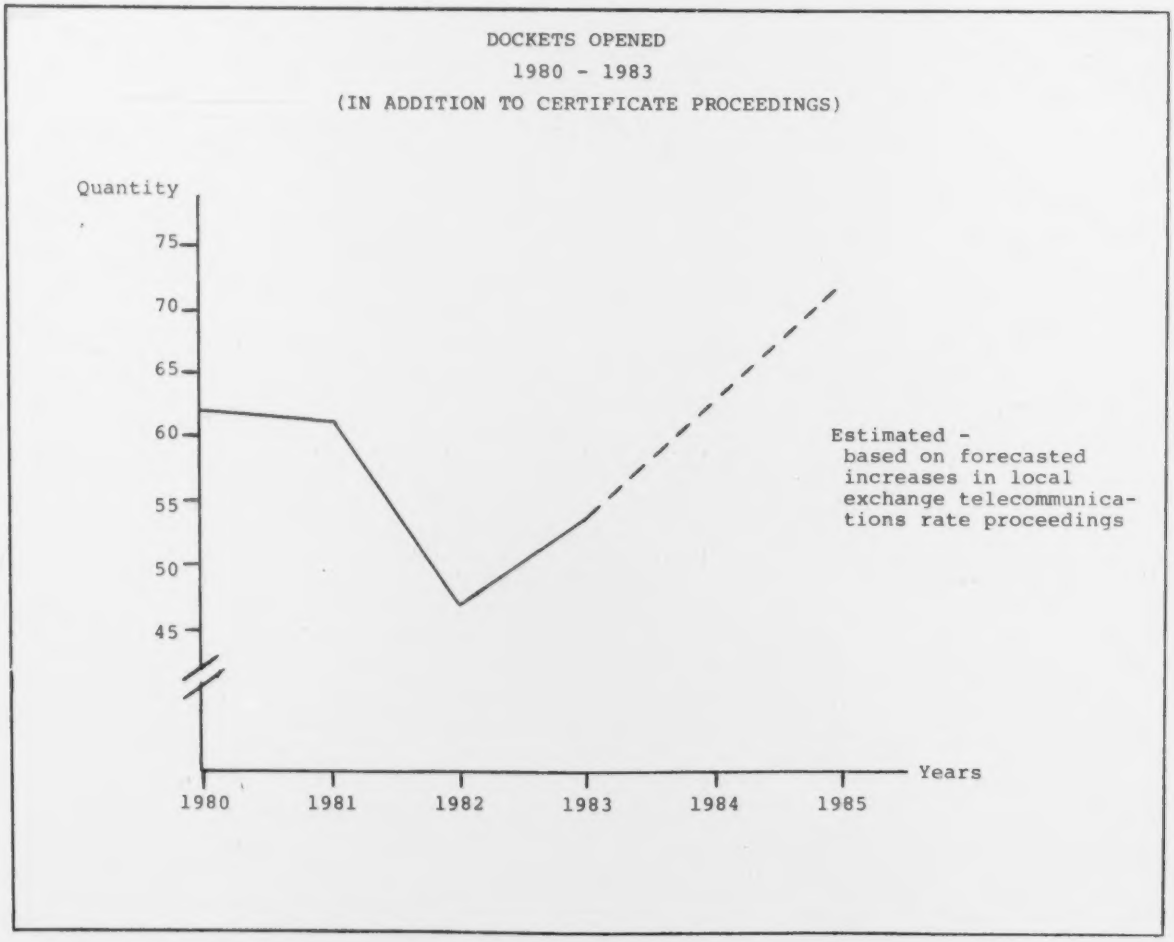


Exhibit VII, Dockets Opened In Addition to Certificate Proceedings 1980-1983, shows that in FY85 general rate increase requests are estimated to increase by at least 25 percent. In addition, there will be a continued level of rate restructuring requests by electric utilities, not only as a result of the Commission's rate design policy, mentioned previously, but also because of the necessity for electric utilities to manage tneir loads more efficiently due to unprecedented growth in many service areas and the substantial cost of bringing new generation on line.

EXHIBIT VII



Substantive Commission orders reflect findings and conclusions based on evidence presented to the Commissioners. Procedural orders relate to schedules and testimony necessary to process a utility's request. Although Exhibit VIII indicates the Commission issued substantially more orders in 1983 (both procedural and substantive) the pending case load has continued to increase since 1980. The additional resources expected to become available in FY85 should alleviate this situation unless the telecommunications workload absorbs these new resources.

EXHIBIT VIII

APUC ORDERS ISSUED
1980 - 1983

CATEGORY	1980	1981	1982	1983
Substantive	169	169	159	220
Procedural	168	179	165	232
TOTAL	337	348	324	452

CHANGE IN CASELOAD

Pending Cases January 1	166	174	192	210
New Dockets Opened	99	103	86	104
Dockets Closed	91	85	68	65
Pending Cases December 31	174	192	210	249
Percent Change in Pending Caseload	+5%	+10%	+9%	+19%

Exhibit IX, Informal Complaint by Category and Utility Type 1980-1983, reveals that in 1980, more consumer concerns were generated by the administration function of providing utility service, i.e., questions and disagreements over billing procedures and rates charged to customers whereas in 1983, the larger percentage of complaints focused on the availability of service. This would appear to be the result of better consumer understanding of the ratemaking process; efforts prompted by the Commission to convey information to consumers in a more understandable fashion; and the results of significant growth in both urban and rural Alaska which of necessity have increased concerns over the availability of service. In addition, because of current electric utility pricing philosophy that the cost-causer should be the cost payer, revisions to electric utility line extension rules have prompted considerable negative consumer reaction. Since cost-based charges for extending existing facilities to serve new consumers are perceived, in many instances, to be prohibitive, the extension of new utility service in rural Alaska may exacerbate the level of service availability concerns from both telephone and electric customers.

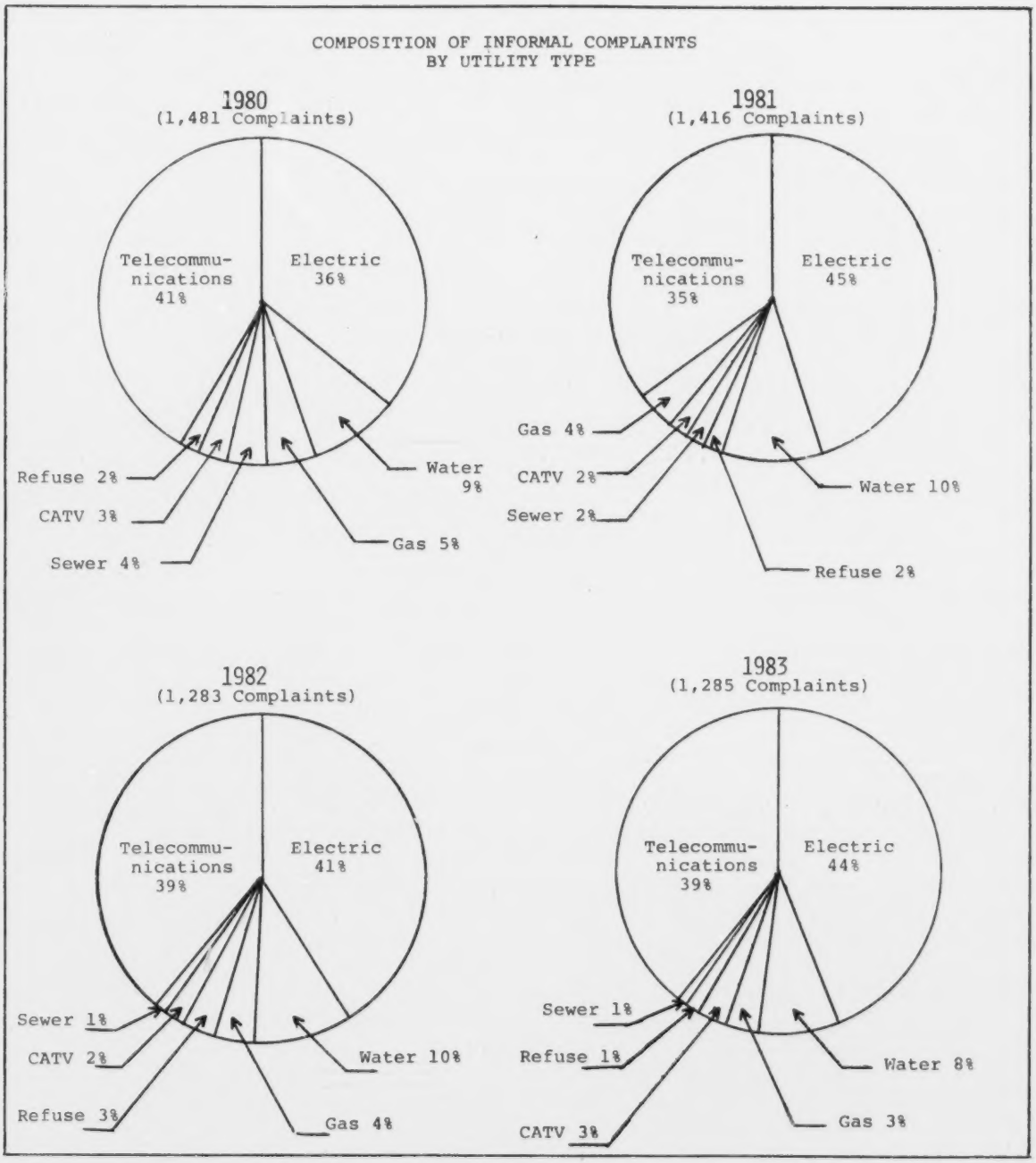
As Exhibit IX also indicates, the overwhelming number of informal complaints continue to be from electric and telephone users. This trend is expected to continue in the foreseeable future with telephone complaints eventually becoming the leading category of consumer concerns.

EXHIBIT IX

INFORMAL COMPLAINTS BY CATEGORY
1980-1983

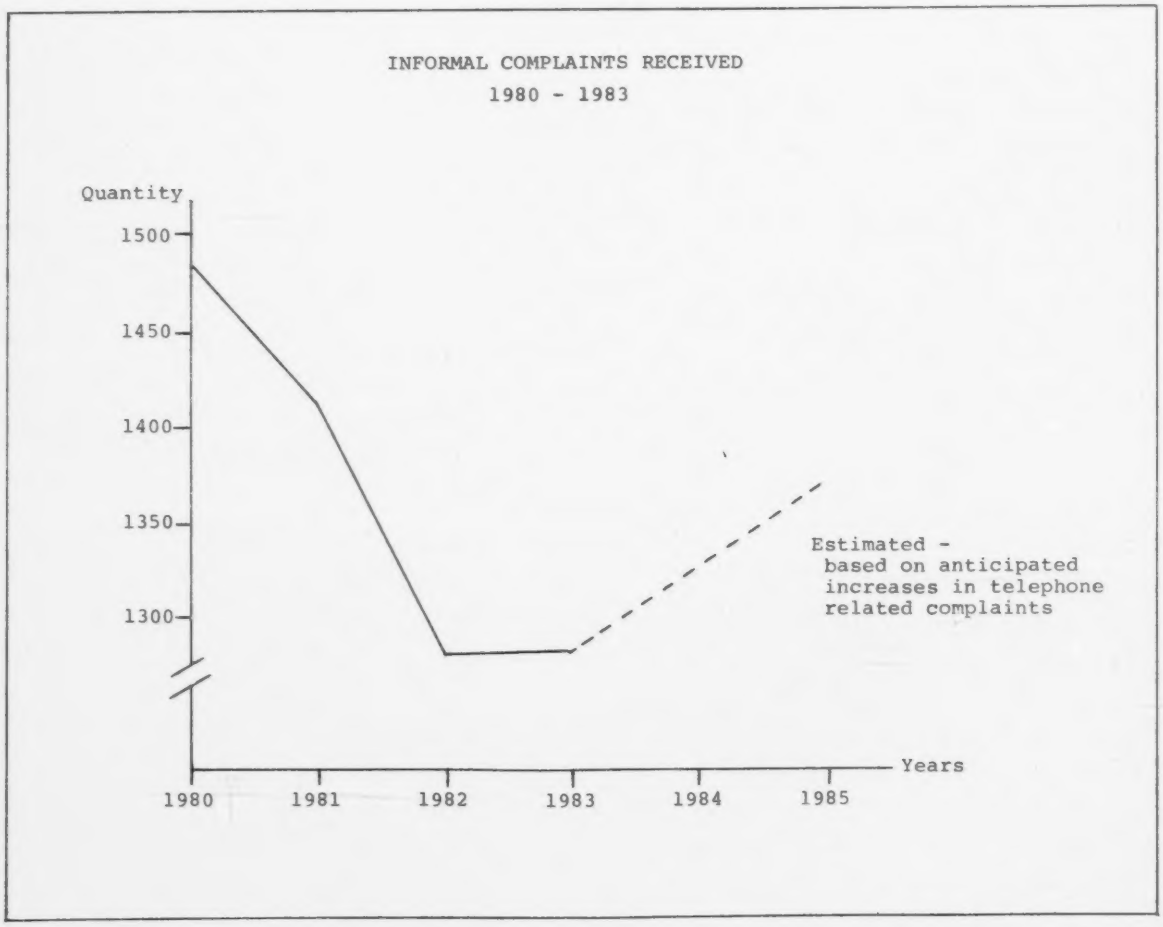
CATEGORY	1980	1981	1982	1983
Billing Practices	398	342	253	250
Rates and Charges	456	451	369	328
Quality of Service	402	335	331	374
Service Availability and Line Extensions	225	288	330	333
TOTAL	1,481	1,416	1,283	1,285

EXHIBIT IX (CONTINUED)



Because of the deregulation of the telephone industry and the resultant necessity to move as quickly as possible toward cost-based rates, it is anticipated that the number of complaints received by the Commission during the next two years will increase substantially. (Exhibit X, Informal Complaints 1980-1983). Assuming access charges (an additional charge for connection to the interstate toll network) become effective in October 1984, the Commission expects the rates and billing complaints of telephone consumers to significantly increase. In addition, since local exchange telephone utilities are under Commission order to file cost-based telephone rates for non-recurring charges, a concomitant impact on the workload of the Consumer Protection Section is also expected. This expectation is based on the result of moving from partially subsidized to cost base non-recurring charges.

EXHIBIT X



Written complaints generally require more work than those presented orally. In comparing the number of written complaints to all informal complaints recorded during the four-year period 1980-1983 (Exhibit X and XI), the percentage remains a relatively stable 19-21 percent. In addition, Exhibit XI reveals a substantial reduction in pending complaints during the past two years, in part a result of an opportunity to re-examine and purge pending complaints, when applicable.

EXHIBIT XI

WRITTEN COMPLAINTS
1980-1983

	1980	1981	1982	1983
Pending Complaints January 1	219	227	240	121
New Complaints Received	286	314	280	267
Complaints Resolved	278	301	399	299
Pending Complaints December 31	227	240	121	89
Percent Change in Pending Complaints	+4%	+6%	-50%	-29%

If a consumer or other aggrieved party is not satisfied with the resolution of an informal complaint, the Commission's regulations provide a procedure whereby a formal complaint may be instituted. If a formal complaint is accepted by the Commission for adjudication, its status is elevated to that of a docket, thereby initiating appropriate regulatory procedures. In 1983, there were 2 formal complaints filed with the Commission.

The next two sections of this Report document Significant Commission Activity during 1983 and anticipated in FY85, and financial information and operating results of regulated utilities and pipeline carriers. Included in the latter section for the first time are unbundled residential telephone rates (pp 45-52) for most regulated telephone utilities and comparative financial operating information for regulated utilities and pipeline carriers 1980-1983, pp 29-30.

SIGNIFICANT COMMISSION ACTIVITY

ENERGY

Certifications

The disputed service areas of Municipal Light and Power Department in Anchorage and Chugach Electric Association have been eliminated. Since 1971 this issue has been addressed by the Commission, reviewed by both the Superior and Supreme Courts and remanded back to the Commission for further hearings. At the conclusion of hearings held in 1982 and 1983, the parties, with the assistance of Commission Staff, began negotiations to determine if areas of disagreement could be resolved through stipulation. The result was positive and the utilities are currently in the process of transferring affected facilities to carry out the intent of an agreement which has been approved by the Commission. The resolution of this proceeding appears to end the constant antagonism and conflict between the two electric utilities which provide service to more than half the consumers in Alaska. In addition, ML&P and Chugach have effected an interconnection agreement which will provide for a transfer of energy in the event of an emergency, and power pooling where mutually beneficial cost savings can result. The cooperation between these utilities will allow all involved in the regulatory process to focus on concerns and face issues affecting consumers of these electric utilities regardless of which utility is providing service. Within the next year, the Commission expects to become more involved in the power planning issues facing the Railbelt area.

To the delight of many in the Matanuska Valley, ENSTAR Natural Gas Company (ENSTAR) received Commission approval to build a pipeline from the Beluga gas fields in order to bring additional sources of supply to its customers in the Anchorage area. This action means that in late 1984, natural gas will be available to many residents of the Matanuska Valley. In addition ENSTAR has negotiated to acquire the Kenai Utility Service Corporation (Kusco) which distributes natural gas in and around the City of Kenai. A Commission decision regarding the proposed acquisition should be forthcoming within the first quarter of FY 1985.

In early 1984, a great deal of regulatory activity was generated by the proposed spin-off of ENSTAR by its parent ENSTAR Corporation, a Houston-based natural resource exploration and production company. The Commission did not approve the spin-off as initially proposed; however, it did approve a set of terms and conditions included in a Continuation of Operations Voting and Divestiture Agreement which it believed would not adversely affect the interest of ENSTAR consumers. This Commission action removed a significant barrier to the ultimate sale of ENSTAR Corporation to Unimar Company, a Texas General Partnership. During FY85 the Commission expects that Unimar will combine the assets of ENSTAR and the transmission subsidiary, Alaska Pipeline, and that a sale of those properties will, with the Commission's approval, be consummated. The Commission also expects ENSTAR to file a request for a rate increase as a result of the completion of its Beluga Pipeline Project.

AS 42.05.711(g) allows an electric utility grossing less than $100,000 to become deregulated through an election process. In 1983, Circle Electric, a utility serving approximately 25 customers became deregulated under the statutory provisions, bringing to a total of 6, utilities[1] that have become economically deregulated as a result of a decision of the majority of their consumers.

Investigations

Investigations into the practices of two electric utilities, Alaska Power and Telephone Company (AP&T) and Northern Power and Engineering Corporation (NPEC), continued in 1983. The AP&T service area includes Tok, Skagway, Hydaburg and Craig. Public hearings were held in all of these areas to assist in examining management practices and to listen to consumer concerns. In 1984, subsequent to these hearings and other Staff activity designed to focus utility attention on regulatory concerns, a change in the management of the company was made. Although improvement in certain conditions have been noted by Staff, it is expected that continuing Commission oversight will be necessary to assist the utility in making necessary changes in its service and practices. The Commission anticipates making its decision in regard to a permanent rate request by AP&T during FY85.

Evidence presented by Staff resulted in Commission findings of unsafe and unreliable service in Cold Bay as a result of NPEC practices and facilities. The utility is under order to show cause why its certificate should not be revoked and a civil fine levied. The Commission expects a change in ownership of the company during FY85.

Particularly in light of current investigations into electric utility practices discussed above, the Commission has continued its efforts to promulgate electric service and safety standards which have included a workshop with utility representatives, a second hearing for public comments, the promulgation of another set of draft regulations, and an opportunity for further comment. The Commission's goal is to have electric service and safety regulations promulgated by January 1, 1985. While these regulations should encourage electric utilities to provide a minimum level of service, because of the remoteness of many rural electric utilities and the reactive function of the Commission, it is anticipated that the extremely time consuming investigations of management practices of smaller utilities will continue.

During 1983, the Commission continued its oversight responsibilities in regard to the implementation of 156 management audit recommendations designed to assist the Board of Directors and management of Chugach to effect necessary changes in its overall operations. Because of the Commission's concern for the past lack of control of costs incurred in large capital projects, it established procedures to review and approve significant construction projects and change orders. The expense of this additional review has been borne by Chugach, but it has produced savings far in excess of its costs. For example,

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[1]Other utilities that have become deregulated under AS 42.05.711(g)-(h) since 1981 include Cordova Telephone & Electric Cooperative Associations, Glacier Highway Electric Association, Kwethluk Inc., and Naknek Electric Cooperative.

Chugach's SCADA (Supervisory Control and Data Acquisition) project was reexamined by the Chugach Board of Directors at the instigation of the Commission. As a result, this and other major utility projects are now under the control of an individual recently hired and charged with the specific responsibility of cost accountability and oversight of large construction projects.

In 1983, a rather interesting legal and policy issue was brought before the Commission by the City of Wasilla and the Matanuska Telephone Association as well as by Homer Electric Association and the Kenai Utility Service Corporation. The Commission will decide in FY85 whether utility ratepayers should be required to pay for the relocation of utility facilities to accommodate municipal growth and road construction; and, if a utility is required to pay these relocation expenses, should all or only the affected ratepayers be allocated the costs.

Rate Design

Two significant decisions were issued by the Commission in 1983 in the area of electric utility rate design. The first, as a result of a U.S. Supreme Court decision upholding state commissions' jurisdiction over intrastate wholesale rates, asserted Commission authority over the wholesale rates charged by Chugach to Matanuska Electric Association (MEA) and Homer Electric Association (HEA). The Commission required that wholesale customers be allocated costs on the same basis as retail customers, which resulted in an increase to Chugach's wholesale customers.

The second decision involved a request by Alaska Electric Light and Power Company (AEL&P) for a moratorium on all electric water and space heating. Whether or not all people living in AEL&P's service area should benefit from the relatively inexpensive source of Snettisham power or whether that power should be limited to those who applied for service prior to a certain date was the subject of extensive public hearings in Juneau. The Commission denied the utility's request for legal and policy reasons, preferring to send the proper price signal through the utility's rate structure rather than denying service to prospective customers.

The second review of MEA's rate structure resulted in a reduction of the extremely controversial and relatively high customer charge, from $20 to $15. Through new rate design regulations, the Commission has established a policy which states a preference for a minimum customer charge and flat rates regardless of a consumer's energy consumption. While these regulations do not preclude a utility from proposing and arguing for a different rate structure, the Commission believes regulatory guidance will eliminate repetitive arguments and provide more efficient processing of rate design requests.

ENSTAR requested a rate design change in 1983, which was basically approved by the Commission. There was significant involvement in the hearing process by ENSTAR's large power customers, the Anchorage electric utilities and the military, that purchase natural

gas for electric generation. The appropriateness of demand charges for large gas customers and the reasonableness of using averaged commodity rates during peak usage periods will be considered in ENSTAR's next rate design proceeding.

The Commission concluded its ratemaking responsibilities under the Public Utility Regulatory Policies Act (PURPA) by examining the existing rate design of Chugach and the Municipal Light & Power Department of Anchorage (ML&P) and by promulgating regulations for cogeneration and small power production. Chugach and ML&P were found to be in substantial compliance with the ratemaking standards of PURPA. The Commission declined to establish a requirement for lifeline rates for these utilities, preferring to receive legislative direction for the establishment of this type of rate subsidy. All regulated electric utilities were also required under PURPA to file rates to be paid to small power producers and cogenerators for purchase of their generated power. Substantially all utilities have complied with this requirement, and initial non-firm rates were approved in 1983. At this time, there are very few small power producers selling energy to regulated electric utilities. However, the Commission anticipates some cogeneration activity in FY85 which could result in rates established that include compensation for avoided capacity costs as well as for avoided fuel expense.

Rate Increases

Permanent rate increases granted to electric utilities during 1983, are summarized on pp 70-72. It should be noted that the immediate effect of any given rate increase on a customer's disposable income is substantially less than the permanent percentage would indicate because of the Commission's practice to allow documented and audited increases in fuel expense to be passed through to consumers between rate cases. This fuel surcharge is then rolled into the permanent rate eventually approved by the Commission.

In FY85, Commission responsibilities will increase as a result of the Power Cost Equalization Program. Although the computations will be relatively mechanical, the number of utilities eligible for the program will increase because of the reduction in the threshhold rate which triggers eligibility. In addition, the Commission must institute new reporting requirements in order to more closely monitor the results of operations of non-regulated utilities eligible for equalization assistance. Because of recent experience in the Power Cost Assistance program, it will be necessary for the Commission to devise a method to track changes in expenses of non-regulated utilities on a regular basis.

Trans-Alaska Pipeline System (TAPS)

Phase II of the TAPS case, consideration of cost and non-cost of construction issues and the quality bank, occupied most of the Commission's time and resources devoted to pipeline matters during 1983.[2] Hearings on the non-cost of construction issues were held

[2]A summary of the progress of Phase I of the TAPS proceeding can be found on page 73 in the Appendix.

concurrently with the Federal Energy Regulatory Commission (FERC) during the last half of 1983. Negotiations are going forward on portions of the case, and settlement is predicted by the parties on some issues before PHASE II briefing begins in late December, 1984. In the event agreement is not reached on the issues which are now the subject of negotiation, further hearings will be necessary. If these occur, it is expected the hearings will be held in Anchorage.

Hearings on the quality bank portion of the case were held in 1981 and again in December, 1983. Since that time the major party protesting the quality bank rate adjustment differential, Mapco Petroleum, Inc., which owns the North Pole Refinery in Fairbanks, has executed a settlement agreement with the pipeline carriers. That settlement will be before both the FERC and this Commission for approval in late August, 1984. If the settlement is approved, no further proceedings will be necessary in the quality bank matter.

Hearings on the cost of construction portion of Phase II were held during six months of FY84. Further hearings are scheduled to begin October, 1984.

The record in Phase II is massive. It consists of approximately 48,000 pages of prepared direct testimony and cross-examination and 7,700 exhibits. Because of the voluminous nature of the record, briefing in Phase II is expected to take one full year. It should be completed in December 1985 and then be ready for decision by this Commission and the FERC.

The Commission has statutory authority to allocate the cost of pipeline investigations to the parties in the proceeding. The Commission has allocated in excess of $2 million in costs for the five-year investigatory and hearing period in Phase I. The Commission's authority to allocate these costs was challenged by the carriers in the Superior Court which rendered a judgment in favor of the Commission's action. The case is now before the Alaska Supreme Court.

TELECOMMUNICATIONS

Certifications

As a result of certification proceedings begun in 1981 and concluded in 1983, it would appear that virtually every village in rural Alaska with a bush phone in 1978 should have local exchange telephone service in operation by the end of FY85. Figure I shows those locations where, since 1980, local exchange telephone utilities have been certified and are currently providing service. In addition, page 53 of the Utility Operating Results lists anticipated construction sites in 1984 and 1985. Certification proceedings in 1983 were focused in the Bristol Bay region resulting in Bristol Bay Telephone Cooperative (Bristol Bay) and Nushagak Telephone Cooperative, (Nushagak) being certificated to provide service in that area. The persistence and preference of residents of Ekwok, Clark's Point and Manokotak resulted in certification to Nushagak for service to those communities. The Commission assisted in forging an agreement between Nushagak and Bristol Bay which avoided lengthy competitive hearings which could have resulted in substantially more delay in service to these areas.

Matanuska Telephone Association requested an extension of its service area through the purchase of facilities in Anderson and Nenana owned by Glacier State Telephone Company. Staff analysis and recommendations of the proposed acquisition resulted in a Commission decision to approve the acquisition of Anderson but to disapprove the acquisition of the Nenana exchange because of the fiscal impact it would have on existing MTA ratepayers.

Interest in providing cable television service in rural Alaska continued in 1983. A competitive hearing of the applications of Eyecom, Inc. (Eyecom) and Aleutian Cablevision to provide cable television service in Unalaska resulted in a decision which certificated Eyecom, a subsidiary of Interior Telephone Company.

The Federal Communications Commission ordered that telephone terminal equipment placed in service on or after January 1, 1983, would no longer be subject to regulation. In FY85, the Commission will establish policies in regard to the sale of terminal equipment in service prior to 1983. Questions to be addressed include: Should customers currently leasing regulated equipment be allowed or required to buy the equipment; if so, during what time frame and on what terms. The Commission is aware that many regulated local exchange telephone utilities in urban Alaska desire to become competitive with private enterprise and want to sell embedded telephone equipment at the earliest possible date.

In 1983, the Commission received a request from Pacific Telecom, Inc. (PTI), the holding company of Alascom and other telecommunication properties in the State of Alaska, to acquire controlling interest in MultiVisions, Ltd., the cable television utility authorized to provide service in Anchorage and Eagle River, and whose subsidiary InletVisions, Inc., provides service in Kenai and Soldotna. Subsequent to that request, the Commission received another application from PTI to acquire a controlling interest in the Alaskan properties of Continental Telephone Company, i.e., Glacier State Telephone Company, providing service to the Kenai Peninsula, Kodiak, Nenana and Delta areas, and the Juneau and

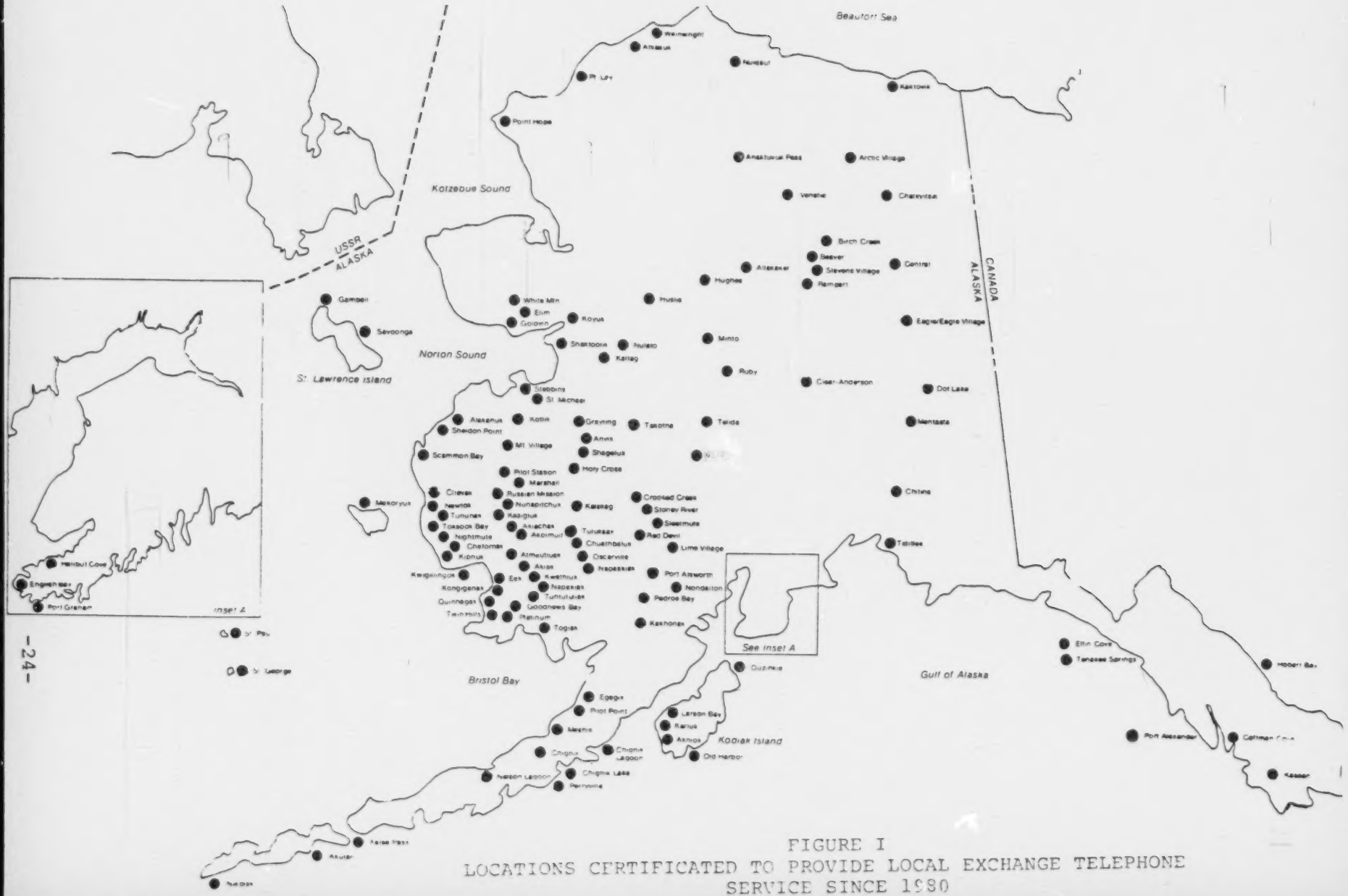

FIGURE I
LOCATIONS CERTIFICATED TO PROVIDE LOCAL EXCHANGE TELEPHONE SERVICE SINCE 1980

Douglas Telephone Company. Because of the the proposed purchase price, this action prompted a mandatory investigation by the Department of Justice which is focused on antitrust implications of this acquisition. The Commission also concluded that the public interest required it to specifically address whether or not control by one company of long distance, local exchange and cable television service in a community (Soldotna and Kenai) would serve the public interest. The issue of antitrust implications of a utility acquisition is a matter of first impression for the Commission. A decision is expected in FY85.

Rate Design

Examination of the appropriateness of Alascom's existing rate design was begun in 1983. Because of the necessity to synchronize the current rate structure to current expense levels, an analysis of Alascom's revenue requirement is required before a meaningful evaluation can take place. This exercise is further complicated by Federal Communications Commission decisions to deregulate a number of aspects of the telecommunications marketplace.

Whether or not intrastate toll competition should be allowed, and, if so, on what terms and conditions, is an issue that has and will continue to occupy substantial Commission attention in FY85. The overriding issue facing the Commission as it examines all ramifications of intrastate toll competition is the maintenance of universal service, newly acquired in many parts of rural Alaska, at affordable rates. This task is extremely complex and subject to change because of the concurrent jurisdiction of the FCC in interstate matters. Although the Commission has not received an application from a competing long distance carrier to provide service within the state of Alaska, it anticipates that Commission proceedings which address this issue will generate great interest and activity by Alascom's real and potential competitors.

During 1983, the local exchange telephone companies completed the "unbundling"[3] of local telephone rates. (See pp 45-52 for approved unbundled residential rates for most local exchange utilities.) In addition, with recurring rates being substantially unbundled in 1983, FY85 should see the completion of unbundled non-recurring charges, i.e., telephone installations, disconnections, etc.

Rate Increases

The significant telephone rate proceeding in 1983 was a request by Glacier State Telephone Company to increase its rates. Commission action on this request resulted in an ordered rate reduction and refund, a decision which has been appealed to the Superior Court. The utility filed a request for another permanent rate increase in FY84 which

[3]Unbundling is a process whereby the components of a customer's charge are separated into various categories.

should be adjudicated in the first quarter of FY85 depending on the status of the ownership transfer and court appeal.

It is anticipated that each local exchange telephone utility will be before the Commission within the next two years for a rate increase request and/or rate design change. As indicated earlier, this is prompted by policies of the FCC which are anticipated to reduce the level of interstate toll revenues heretofore received by local exchange companies. The State of Alaska and the Commission have been and will continue active involvement in proceedings before the Federal Communications Commission making known the unique challenge of providing telecommunications service in this geography while attempting to mitigate the impact of anticipated interstate toll revenue loss.

GARBAGE - SEWER - WATER

As noted earlier, the preponderance of Commission workload and activity continues to be in the electric and telephone areas. Garbage, water, and sewer account for less than 25 percent of its workload. However, the requests and concerns of these utilities and their consumers are important and significant.

As a result of a plethora of applications to provide competitive refuse service in the Matanuska-Susitna Borough, the Commission Staff, in 1983, requested consideration of whether or not it was in the public interest for the Commission to continue to require that refuse utility service in that area be subject to certification.[4] This proposal engendered a great deal of interest on the part of refuse utilities currently providing service and those prospective utilities desiring to provide competitive service in the Mat-Su Borough. The question which must be answered by the Commission is whether or not a competitive marketplace with or without regulatory intervention can assure reliable refuse service at reasonable rates to residents of the Matanuska-Susitna Borough. Although the issue in this particular proceeding is limited to one geographic area of the State, the Commission decision expected in the first quarter of FY85 in this matter could have ramifications for other areas of Alaska.

A major water utility acquisition was effected in 1983, when the Commission approved the purchase of Central Alaska Utilities by the Anchorage Water and Wastewater Utility (AWWU). The Commission anticipates AWWU will continue in a acquisition mode within the Anchorage municipal boundaries, acquiring small developer-built utilities in the Eagle River/Chugach area which, because of inadequate sizing and substantial population growth, are today plagued with service problems. In that light, in 1983 and early 1984 the Commission spent significant time attempting to resolve the quality of service concerns of approximately 135 consumers of Sunny Slopes, a bankrupt water utility in Eagle River.

Investigations

Although the Commission has no economic jurisdiction over the Fairbanks Municipal Utilities System (FMUS), it was requested by the Environmental Protection Agency to resolve a dispute between FMUS and College Utilities Corporation (CUC) over the appropriate charge by FMUS for the treatment of CUC's wastewater. The Commission concluded extensive proceedings in 1983 and found that the initial rate charged by FMUS was excessive which resulted in a Commission-ordered refund to CUC in early 1984.

Rate Increases

In 1983, a significant rate increase was granted to Valley Water Company, a small utility in Fairbanks serving less than 200 customers. Although the Commission granted

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[4] All refuse utilities are required to have a certificate of public convenience and necessity. However, refuse utilities with gross revenues under $200,000 annually are exempt from economic regulation.

only 58 percent of the utility's requested 109 percent increase, the concerns about and impact of a rate increase of that magnitude were vociferously articulated in a hearing held by the Commission in the utility's service area. The Commission continues to encourage, and where possible provides assistance to, small utilities to keep more accurate historical financial information in order to avoid increases of that magnitude. Regardless of the reasonableness of expense levels, the immediate impact on disposable income is so severe that indignant customer reaction is guaranteed.

FINANCIAL INFORMATION COVERING ALL FULLY REGULATED UTILITIES

NET PLANT	1980	1981	1982	1983
Electric	$ 613,908,579	$ 711,934,645	$ 698,589,009	$ 761,172,055
Gas	63,253,530	66,453,557	72,379,288	101,727,952
Refuse	1,660,564	1,485,912	2,366,487	2,761,660
Telephone[1]	563,329,022	632,266,472	804,277,836	838,174,149
Wastewater	26,925,107	32,554,721	29,650,365	36,539,312
Water	33,246,779	35,198,490	33,442,126	33,367,411
	$1,302,323,581	$1,479,893,797	$1,640,705,111	$1,773,742,539

TOTAL REVENUE	1980	1981	1982	1983
Electric	$145,165,801	$176,872,585	$222,642,850	$266,648,553
Gas	64,943,753	76,817,582	79,325,889	116,674,008
Refuse	5,700,459	5,488,802	7,801,477	9,194,910
Telephone[1]	275,565,779	336,577,902	423,887,102	492,521,502
Wastewater	9,654,811	10,978,820	11,696,599	17,203,717
Water	10,563,936	11,382,897	13,579,667	15,544,339
	$511,594,539	$618,118,588	$758,933,584	$917,787,029

NET INCOME	1980	1981	1982	1983
Electric	$ (1,139,079)	$ 5,346,814	$ 10,870,835	$ 22,444,650
Gas	4,931,684	3,815,385	6,449,713	7,809,112
Refuse	(286,226)	242,254	(52,453)	(92,260)
Telephone[1]	36,770,392	50,239,937	70,967,210	104,713,290
Wastewater	(435,119)	1,010,040	1,312,215	293,171
Water	1,667,298	2,154,710	3,242,378	2,284,041
	$ 41,508,950	$ 62,809,140	$ 92,789,898	$137,452,004

USERS	1980	1981	1982	1983
Electric	130,155	136,694	138,233	162,989
Gas	42,759	48,631	54,585	62,913
Refuse	21,182	20,705	21,958	29,161
Telephone[1]	141,939	144,278	167,140	189,523
Wastewater	30,796	32,636	35,048	38,228
Water	30,585	31,366	33,740	37,573
	397,416	414,310	450,704	520,387

[1] Includes financial data from Alascom, Inc., the long lines carrier. See pages 40-53 for telecommunication utilities data.

FINANCIAL INFORMATION COVERING FULLY REGULATED
OIL PIPELINE COMPANIES
1980 - 1983
(in 000's)

	1980	1981	1982	1983
Carrier Property				
Gross	$9,510,987	$9,611,713	$9,746,833	$9,799,810
Net	$8,295,835	$7,937,480	$7,806,099	$7,585,705
Revenue				
Gross	$3,445,005	$3,441,805	$4,225,369	$3,569,066
Net	$2,518,620	$2,492,915	$3,070,256	$2,725,591
Throughput (Barrels)[1]	616,785	621,718	688,308	700,004

[1] Crude Oil.

CERTIFICATED ELECTRIC UTILITIES

*Akutan, City of
Alaska Electric Light & Power Company
Alaska Power & Telephone Company
Alaska Village Electric Cooperative, Inc.
Andreanof Electric Corporation
Aniak Light and Power Company, Inc.
Arctic Utilities, Inc.
Barrow Utilities and Electric
Cooperative, Inc.
Bethel Utilities Corporation, Inc.
Bettles Light & Power, Inc.
*Chignik, City of
*Chistochina Trading Post
Chugach Electric Association, Inc.
*Circle Electric
Richard Hutchinson d/b/a
Copper Valley Electric Association, Inc.
*Cordova Electric Cooperative, Inc.
*Fairbanks Municipal Utilities System
*Glacier Highway Electric Association, Inc.
Golden Valley Electric Association, Inc.
Gwitchyaa Zhee Utility Company
Haines Light & Power Company, Inc.
Homer Electric Association, Inc.
Iliamna-Newhalen Electric Cooperative, Inc.
*Ketchikan Public Utilities, City of
*King Cove, City of
Kodiak Electric Association, Inc.
*Kotlik, City of
Kotzebue Electric Association, Inc.
*Kwethluk Incorporated
M & D Enterprises
Daniel and Margaret Patrick d/b/a
Manley Utility Company, Inc.
Matanuska Electric Association, Inc.
McGrath Light & Power Company
Municipal Light & Power Department
Municipality of Anchorage d/b/a
*Naknek Electric Association, Inc.
*Nikolski Power and Light Company
Fred Landt d/b/a
*Nome, City of
Nome Light & Power Utilities d/b/a
*North Slope Power & Light Company
North Slope Borough d/b/a
Northern Power and Engineering Corporation,
Inc.
Northway Power & Light, Inc.
Nushagak Electric Cooperative, Inc.
*Paxson Lodge, Inc.
Pelican Utility Company[1]
*Petersburg, City of
*Semloh Supply
Weldon S. Holmes d/b/a
*Seward, City of
*Sitka, City and Borough of
Tanana Power Company, Inc.
Teller Power Company
Helen M. and Robert R. Blodgett d/b/a
*Thorne Bay, City of
Tlingit-Haida Regional Electrical Autnority
*Unalaska, City of
*Weisner Trading Company
*Wrangell, City of
Yakutat Power, Inc.

(*)Not Regulated by Alaska Public Utilities Commission as to rates and services.

[1]Pelican Utility Company is the holder of two electric utility certificates, one for service in Pelican, the other for service in Sand Point.

ELECTRIC UTILITIES
(1983 Reporting Year)

Utility	Net Plant	Revenues: Total Revenues	Revenues: Net Income	Users
CLASS A (Gross Operating Revenue greater than $5,000,000)				
Alaska Electric Light & Power Co.	$ 27,130,231	$ 11,352,762	$ 1,154,842	9,856
Alaska Village Electric Coop., Inc.(1)	19,633,912	11,001,285	1,332,881	4,424
Chugach Electric Assoc., Inc.	322,786,700	79,993,217	6,751,514	59,874
Copper Valley Electric Assoc., Inc.	14,187,465	5,887,455	126,123	2,345
Golden Valley Electric Assoc., Inc.	105,371,404	34,516,057	2,788,744	18,278
Homer Electric Association, Inc.	52,994,010	21,780,015	1,422,408	14,427
Kodiak Electric Association, Inc.	21,426,340	9,147,023	564,349	3,600
Matanuska Electric Assoc., Inc.	75,445,835	27,868,709	5,328,633	20,794
Municipal Light & Power Department Municipality of Anchorage d/b/a	92,699,957	36,843,295	628,229	19,486
Subtotal - CLASS A	$731,675,854	$238,389,818	$20,097,723	153,084
CLASS B (Gross Operating Revenue greater than $1,500,000 but less than $5,000,000)				
Alaska Power & Telephone Company	$ 1,619,481	$ 2,395,323	$ 52,598	1,222
Arctic Utilities, Inc.(2)	3,561,563	4,113,349	405,583	31
Barrow Utilities & Elec. Coop., Inc.	809,581	1,933,642	676,491	1,101
Bethel Utilities Corporation, Inc.	2,532,439	4,283,858	295,408	2,055
Kotzebue Electric Association, Inc.	4,234,857	2,824,813	270,413	884
Nushagak Electric Coop., Inc.	4,737,658	2,067,594	78,695	879
Tlingit-Haida Regional Electrical Authority	4,919,902	2,727,360	224,767	837
Subtotal - CLASS B	$22,415,481	$20,345,939	$2,003,955	7,009

(1) Communities being furnished electric utility service by Alaska Village Electric Cooperative, Inc.

Alakanuk	Hooper Bay	New Stuyahok	Scammon Bay
Ambler	Huslia	Noatak	Selawik
Andreafsky	Kaltag	Noorvik	Shageluk
Anvik	Kasigluk	Nulato	Shaktoolik
Chevak	Kiana	Nunapitchuk	Shishmaref
Eek	Kivalina	Old Harbor	Shungnak
Elim	Koyuk	Pilot Station	Stebbins
Emmonak	Lower Kalskag	Pitkas Point	Togiak
Gambell	Marshall	Quinhagak	Toksook Bay
Goodnews Bay	Mekoryuk	St. Marys	Tununak
Grayling	Minto	St. Michael	Upper Kalskag
Holy Cross	Mountain Village	Savoonga	Wales

(2) Information Presented for Year Ended 6/30/83

ELECTRIC UTILITIES (CONT.)
(1983 Reporting Year)

Utility	Net Plant	Revenues: Total Revenues	Revenues: Net Income	Users
CLASS C (Gross Operating Revenue greater than $500,000 but less than $1,500,000)				
Gwitchyaa Zhee Utility Company (formerly Fort Yukon Utilities)	$ 366,977	$ 696,721	$ 71,563	310
Haines Light & Power Company, Inc.	720,390	1,201,622	66,285	680
M & D Enterprises Daniel and Margaret Patrick d/b/a	217,079	526,282	36,260	208
McGrath Light & Power Company	1,620,003	823,804	(77,693)	220
Northern Power & Engineering Corp., Inc.	550,000	500,000	-0-	62
Pelican Utility Co. - Sand Point[3] Service Area	254,565	892,696	1,267	366
Tanana Power Company, Inc.	578,097	511,138	47,000	177
Yakutat Power, Inc.	416,690	760,013	82,157	269
Subtotal - CLASS C	$ 4,723,801	$ 5,912,276	$ 226,839	2,292
CLASS D (Gross Operating Revenue less than $500,000)				
Aniak Light and Power Company, Inc.	$ 274,707	$ 455,318	$ 7,341	168
Bettles Light & Power, Inc.	350,200	406,879	46,701	38
Iliamna-Newhalen Electric Coop., Inc.	1,471,854	454,038	49,935	162
Northway Power & Light, Inc.[4]	---	320,805	---	87
Pelican Utility Company[3]	260,158	257,593	12,156	76
Teller Power Company[4]	---	105,887	---	73
Subtotal - CLASS D	$ 2,356,919	$ 2,000,520	$ 116,133	604
TOTALS - Classes A, B, C & D	$761,172,055	$266,648,553	$22,444,650	162,989

[3] Information Presented for Year Ended 3/31/83.

[4] Information not available.

SAMPLE MONTHLY RESIDENTIAL ELECTRIC RATES
(As of December 31, 1983 - Fuel Cost Rate Adjustments Included Where Available)

COMMUNITY	100 KWH	500 KWH	1,000 KWH	1,500 KWH	Power Cost Assistance(1)	UTILITY SERVING COMMUNITY
Anchorage	$ 10.31	$ 33.53	$ 62.56	$ 91.59		Municipal Light & Power Department
Anchorage Hope Moose Pass Whittier	11.51	35.65	65.82	96.00		Chugach Electric Association, Inc.
Angoon	36.84	174.80	335.50	496.20	16.64¢/KWH	Tlingit-Haida Regional Electrical Authority
Aniak	39.94	191.05	373.45	555.85		Aniak Light and Power Company, Inc.
AVEC Communities	48.14	240.70	481.40	722.10	23.69¢/KWH	Alaska Village Electric Cooperative, Inc.
Barrow	15.00	66.00	121.56	177.12		Barrow Utilities & Electric Cooperative, Inc.
Bethel	23.09	97.00	180.94	264.89	2.38¢/KWH	Bethel Utilities Corporation, Inc.
Bettles	47.60	238.00	476.00	714.00	29.45¢/KWH	Bettles Light & Power, Inc.
Chugiak	23.03	55.14	95.27	132.00		Matanuska Electric Association, Inc.
Cold Bay	20.64	96.60	186.45	272.90	3.07¢/KWH	Northern Power & Engineering Corporation, Inc.
Craig	21.59	93.71	183.86	274.01		Alaska Power & Telephone Company
Dillingham	28.31	109.05	204.17	299.29	6.589¢/KWH	Nushagak Electric Cooperative, Inc.
Eagle River	23.03	55.14	95.27	132.00		Matanuska Electric Association, Inc.
Egegik	43.03	215.15	430.30	645.45	27.58¢/KWH	Egegik Light & Power
Fairbanks Delta Junction Healy Nenana North Pole	20.34	61.70	104.65	147.59		Golden Valley Electric Association, Inc.
Fort Yukon	47.57	177.91	303.32	428.74	18.60¢/KWH	Gwitchyaa Zhee Utility Company
Galena	38.10	190.50	381.00	571.50	23.75¢/KWH	M & D Enterprises Daniel & Margaret Patrick d/b/a

(1) State assistance credited to customer bills on a cents/KWH basis for consumption up to 600 KWH per customer.

SAMPLE MONTHLY RESIDENTIAL ELECTRIC RATES (CONT.)
(As of December 31, 1983 - Fuel Cost Rate Adjustments Included Where Available)

COMMUNITY	100 KWH	500 KWH	1,000 KWH	1,500 KWH	Power Cost Assistance(1)	UTILITY SERVING COMMUNITY
Glennallen Copper Center	$ 22.31	$ 87.07	$147.64	$204.21		Copper Valley Electric Association, Inc.
Haines	24.89	87.65	160.33	228.28	1.16¢/KWH	Haines Light & Power Co., Inc.
Halibut Cove Seldovia	22.60	54.03	93.33	132.62		Homer Electric Association, Inc.
Homer Kenai Nikiski Soldotna Sterling	21.60	49.02	83.30	111.68		Homer Electric Association, Inc.
Hoonah	36.84	174.80	335.50	496.20	16.64¢/KWH	Tlingit-Haida Regional Electrical Authority
Hydaburg	25.79	113.15	222.35	331.55		Alaska Power & Telephone Company
Iliamna	38.99	194.95	389.90	584.85	22.49¢/KWH	Iliamna-Newhalen Electric Cooperative, Inc.
Juneau Douglas	12.59	39.95	72.90	105.85		Alaska Electric Light & Power Company
Kake Kasaan	36.84	174.80	335.50	496.20	16.64¢/KWH	Tlingit-Haida Regional Electrical Authority
Klawock	36.84	174.80	335.50	496.20	16.64¢/KWH	Tlingit-Haida Regional Electrical Authority
Kodiak	17.78	82.26	151.20	217.93	.3585¢/KWH	Kodiak Electric Association, Inc.
Kotzebue	34.04	123.96	236.36	348.76	8.27¢/KWH	Kotzebue Electric Association, Inc.
McGrath	34.85	164.15	315.15	466.15	13.37¢/KWH	McGrath Light & Power Co.
Northway	27.53	137.65	275.30	412.95	10.72¢/KWH	Northway Power & Light, Inc.
Palmer Talkeetna Wasilla Willow	23.03	55.14	95.27	132.00		Matanuska Electric Association, Inc.
Pelican	18.50	92.50	185.00	277.50	4.20¢/KWH	Pelican Utility Company
Port Graham	22.60	54.03	93.33	132.62		Homer Electric Association, Inc.
Port Lions	51.73	230.24	447.12	663.99	29.45¢/KWH	Kodiak Electric Association, Inc.

(1) State assistance credited to customer bills on a cents/KWH basis for consumption up to 600 KWH per customer.

SAMPLE MONTHLY RESIDENTIAL ELECTRIC RATES (CONT.)
(As of December 31, 1983 - Fuel Cost Rate Adjustments Included Where Available)

COMMUNITY	100 KWH	500 KWH	1,000 KWH	1,500 KWH	Power Cost Assistance[1]	UTILITY SERVING COMMUNITY
Sand Point	$ 23.77	$111.14	$217.14	$323.14	1.929¢/KWH	Pelican Utility Company
Skagway	18.06	63.55	117.00	170.45		Alaska Power & Telephone Company
Tanana	37.48	178.40	340.80	503.20	14.54¢/KWH	Tanana Power Company Clifton Eller d/b/a
Teller	35.00	175.00	350.00	525.00		Teller Power Company Helen M. and Robert R. Blodgett d/b/a
Tok/Dot Lake	22.61	100.04	193.29	278.09		Alaska Power & Telepnone Company
Unalakleet	36.59	124.95	235.40	345.85	8.5965¢/KWH	Matanuska Electric Association, Inc.
Valdez	18.31	67.57	111.14	152.71		Copper Valley Electric Association, Inc.
Yakutat	24.90	102.70	192.20	276.70	2.61¢/KWH	Yakutat Power, Inc.

[1] State assistance credited to customer bills on a cents/KWH basis for consumption up to 600 KWH per customer.

1983 KWH SALES
REGULATED ELECTRIC UTILITIES

	KWH SALES		
	Residential	Commercial and Other	Total
Alaska Electric Light & Power Co.	93,892,065	97,740,088	191,632,153
Alaska Power & Telephone Co.	4,707,071	10,128,476	14,835,547
Alaska Village Electric Cooperative, Inc.	8,651,695	15,931,776	24,583,471
Aniak Light & Power Co.	(Not Separated)		1,284,335
Arctic Utilities, Inc.	-0-	15,500,000	15,500,000
Barrow Utilities and Electric Coop., Inc.	4,512,795	15,196,166	19,708,961
Bethel Utilities Corp., Inc.	6,659,569	16,203,832	22,863,401
Bettles Light and Power, Inc.	48,230	781,006	829,236
Chugach Electric Association, Inc.	551,762,673	1,181,765,812	1,733,528,485
Copper Valley Electric Association, Inc.	11,677,000	32,273,000	43,950,000
Gwitchyaa Zhee Utility Company	391,798	1,680,440	2,072,238
Golden Valley Electric Association, Inc.	16,821,075	16,558,642	33,379,717
Haines Light & Power Co.	2,672,556	4,663,744	7,336,300
Homer Electric Association, Inc.	127,376,736	202,568,893	329,945,629
Iliamna-Newhalen Electric Coop., Inc.	119,858	334,180	454,038
Kodiak Electric Association, Inc.	17,573,022	38,897,861	56,470,883
Kotzebue Electric Association, Inc.	3,410,911	8,486,478	11,897,389
M & D Enterprises Daniel and Margaret Patrick d/b/a	614,008	769,045	1,383,053
Matanuska Electric Association, Inc.	241,587,547	103,856,367	345,443,914
McGrath Light & Power Co.	557,512	1,854,978	2,412,490
Municipal Light & Power Department Municipality of Anchorage d/b/a	127,742,003	525,045,652	652,787,655
Northern Power & Engineering Corp., Inc.	498,057	2,257,575	2,755,632
Northway Power and Light Co., Inc.	(Not Separated)		1,168,822
Nushagak Electric Coop., Inc.	3,390,936	6,468,562	9,859,498
Pelican Utility Company	(Not Separated)		2,705,226
Pelican Utility Co. - Sand Point Service Area	(Not Separated)		5,157,950
Tanana Power Company, Inc.	769,545	815,815	1,585,360
Teller Power Company Helen M. and Robert R. Blodgett d/b/a	(Not Separated)		383,429
Tlingit-Haida Regional Electrical Authority	3,401,603	4,002,785	7,404,388
Yakutat Power, Inc.	1,500,698	2,694,370	4,195,068

CERTIFICATED GAS UTILITIES

Alaska Pipeline Company

Barrow Utilities and Electric Cooperative, Inc.

ENSTAR Natural Gas Company
A division of ENSTAR Corporation

*Kenai, City of

Kenai Utility Service Corporation

STEAM HEAT UTILITY

*Fairbanks Municipal Utilities System

(*)Not Regulated by Alaska Public Utilities Commission as to rates and services.

GAS UTILITIES
(1983 Reporting Year)

Utility	Net Plant	Total Revenues	Net Income	Users
CLASS A (Gross Operating Revenue greater than $5,000,000)				
ENSTAR[1]	$ 99,830,200	$114,973,870	$7,634,844	60,506
Subtotal CLASS A	$ 99,830,200	$114,973,870	$7,634,844	60,506
CLASS C (Gross Operating Revenue greater than $500,000 but less than $1,500,000)				
Barrow Utilities & Electric Cooperative, Inc.	$ 462,901	$ 657,773	$ 27,278	787
Kenai Utility Service Corporation	1,434,851	1,042,365	146,990	1,620
Subtotal CLASS C	$ 1,897,752	$ 1,700,138	$ 174,268	2,407
TOTALS - Classes A & C	$101,727,952	$116,674,008	$7,809,112	62,913

GAS UTILITIES NOT REGULATED AS TO RATES AND SERVICES

Kenai, City of

SAMPLE MONTHLY RESIDENTIAL GAS RATES
(As of December 31, 1983)

COMMUNITY	MINIMUM BILL	AVERAGE BILL	APPROXIMATE AVERAGE MONTHLY CONSUMPTION (MCF)	UTILITY SERVING COMMUNITY
Anchorage	$ 4.42	$39.65	16.83	ENSTAR Natural Gas Company
Barrow	11.00	41.58	22.17	Barrow Utilities and Electric Cooperative, Inc.
Kenai	8.08	32.30	15.01	Kenai Utility Service Corporation

[1] Combined information for ENSTAR Natural Gas Company and Alaska Pipeline Company

CERTIFICATED CABLE TELEVISION UTILITIES[1]

Alaska Cablevision, Inc.[2]
ASRC Communications, Ltd.
B-C Cable Company
Bethel Cablevision, Inc.
Capital Cable Vision
  Robert F. Becker & William H. Armour d/b/a
Eyecom, Inc.[3]
Frontier Color Cable, Inc.
Hoonah Tlingit & Haida Community Council
InletVisions, Inc.
Ketchikan Alaska Television, Inc.
Lynn Canal Cable Vision
  Jack W. Brown d/b/a
M^2PDC, Inc.
Matanuska Telephone Association, Inc.
Multivisions, Ltd.
Pelican Utility Company
Port Lions General Store, Inc.
Sitka Alaska Television, Inc.
Skagway Network Television
  Jack W. Brown d/b/a
Thorne Bay Community T.V., Inc.

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[1] Cable television utilities are not regulated by Commission as to rates and service.

[2] Alaska Cablevision, Inc., is the holder of six CATV certificates for providing service to Cordova, Kodiak, Kotzebue, Nome, Valdez and Wrangell.

[3] Eyecom, Inc., is the holder of two CATV certificates for providing service to City of Galena, Galena Air Force Base and Unalaska.

CERTIFICATED RADIO COMMON CARRIER UTILITIES[1]

Cermak's Tundra Service

Communications Equipment & Service Co., Inc.

Girl Friday Communications

Kodiak Radio, Inc.

Matanuska Telephone Association, Inc.

Prudhoe Communications, Inc.

Radio Communications, Inc.

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[1] The Commission, on its own motion, economically deregulated Radio Common Carriers in 1982. These utilities continue to be subject to the regulation of the certification process.

CERTIFICATED TELEPHONE UTILITIES

Alascom, Inc.
Anchorage Telephone Utility
  Municipality of Anchorage d/b/a
Arctic Slope Telephone Association Cooperative, Inc.
*Bettles Telephone, Inc.
Bristol Bay Telephone Communications Cooperative, Inc.
Bush-Tell, Incorporated
Copper Valley Telephone Cooperative, Inc.
*Cordova Telephone Cooperative, Inc.
*Fairbanks Municipal Utilities System
General Telephone Company of Alaska
Glacier State Telephone Company
Interior Telephone Company
Juneau and Douglas Telephone Company
*Ketchikan Public Utilities, City of
*Manley Utility Company, Inc.
Matanuska Telephone Association, Inc.
Mukluk Telephone Company, Inc.
National Utilities, Inc.
*North Country Telephone Company
Nushagak Telephone Cooperative, Inc.
OTZ Telephone Cooperative, Inc.
Sitka Telephone Company
Telephone Utilities of Alaska, Inc.
United Utilities, Inc.
Whittier Telephone Company
Yukon Telephone Company, Inc.

(*)Not Regulated by Alaska Public Utilities Commission as to rates and services.

TELECOMMUNICATION UTILITIES
(1983 REPORTING YEAR)

Utility	Net Plant	Total Revenues	Net Income	Main Stations[1]	Telephones
CLASS A (Gross Operating Revenue greater than $4,000,000)					
Alascom, Inc.[2]	$454,531,390	$276,859,751	$58,205,968	394	795
Anchorage Telephone Utility Municipality of Anchorage d/b/a	161,052,972	120,206,766	34,685,082	104,685	170,390
General Telephone Company of Alaska	9,992,808	6,897,687	703,373	8,997	14,351
Glacier State Telephone Company	73,446,645	31,252,536	4,066,344	22,347	28,540
Juneau & Douglas Telephone Company	25,223,032	15,502,252	1,754,404	13,850	17,061
Matanuska Telephone Association, Inc.	56,942,351	14,809,949	1,728,584	19,515	26,050
Sitka Telephone Company	12,912,000	5,202,000	432,000	5,435	6,320
United Utilities, Inc.	9,607,377	4,433,052	733,940	2,785	1,787
Subtotal - CLASS A	$803,708,575	$475,163,993	$102,309,695	178,008	265,294
CLASS B (Gross Operating Revenue greater than $1,000,000 but less than $4,000,000)					
Arctic Slope Telephone Association Coop., Inc.	$ 3,664,413	$ 3,871,249	$ 863,336	1,320	1,893
Bristol Bay Telephone Communications Cooperative, Inc.	3,041,816	1,407,853	190,106	543	679
Copper Valley Telephone Cooperative, Inc.	8,227,391	3,011,029	531,633	2,636	4,372
Interior Telephone Company	7,887,036	3,198,529	163,048	1,893	1,471
Nushagak Telephone Cooperative, Inc.	2,697,154	1,094,417	162,662	767	1,122
OTZ Telephone Cooperative, Inc.	4,158,310	1,027,053	408,271	1,134	1,802
Telephone Utilities of Alaska, Inc.	3,242,000	1,766,000	123,000	1,515	1,952
Subtotal - CLASS B	$32,918,120	$15,376,130	$2,442,056	9,808	13,291

[1] Main Station: A telephone station which is connected directly to a central office and which has a unique telephone number, not an extension station.

[2] Includes both long lines and St. Paul local exchange operations. The main stations and telephones attributable to St. Paul local exchange operations total 154 and 169, respectively. The remaining main stations and telephones represent stations and instruments located in Alascom long lines site offices located throughout Alaska.

TELECOMMUNICATION UTILITIES (CONT.)
(1983 REPORTING YEAR)

Utility	Net Plant	Total Revenues	Net Income	Main Stations[1]	Telephones
CLASS C (Gross Operating Revenue less than $1,000,000)					
Bush-Tell, Incorporated	$ 217,254	$ 436,095	$ (215,075)	341	341
Mukluk Telephone Company,[3] Inc.	---	---	---	---	---
National Utilities, Inc.	675,430	929,954	216,095	1,007	1,598
Whittier Telephone Company[3]	---	---	---	158	178
Yukon Telephone Company	654,770	615,330	(39,481)	201	238
Subtotal - CLASS C	$ 1,547,454	$ 1,981,379	$ (38,461)	1,707	2,355
TOTAL - CLASSES A, B,& C	$838,174,149	$492,521,502	$104,713,290	189,523	280,940

[1] Main Station: A telephone station which is connected directly to a central office and which has a unique telephone number, not an extension station.

[3] Information not available.

SAMPLE MONTHLY RESIDENTIAL TELEPHONE RATES
(As of December 31, 1983)

In 1982, the FCC decided that the provision of telephone instruments (technically known as customer premises equipment or CPE) did not need to be a regulated telecommunications service. Therefore, effective January 1, 1983, new CPE was deregulated and thereafter would have to be purchased or leased from utilities or other suppliers at prevailing market prices. CPE which was in-place or in inventory at that date continued to be regulated for the time being. To further implement its policy the FCC dictated that the cost of the telephone instrument be separated from the basic service rate to eliminate this charge for new CPE customers and to better inform old CPE customers of their costs and options. In a related action, the FCC had mandated that customers pay the full cost of their telephone installations (primarily designated as inside wiring) rather than a nominal fee.

In response to these federal policies, the APUC required all regulated local exchange utilities to unbundle (break down) their monthly telephone rates into separate components for CPE, inside wiring, and access lines. Almost all companies have either completed the unbundling process or at least filed proposed unbundled rates. The rates shown below reflect the monthly rates in effect for single party residential service on December 31, 1983. All customers pay the access line charge, but customers who own their inside wiring and/or telephone instruments do not pay the respective charges.

UNBUNDLED RESIDENTIAL RATES

Community	Access Line	Inside Wiring[1]	Basic Telephone Instrument	Utility Serving Community
Akhiok	$17.50	----[2]	----[2]	Sitka Telephone Company
Akiachak	15.50	$0.60	$1.05	United Utilities, Inc.
Akiak	15.50	0.60	1.05	United Utilities, Inc.
Akutan	17.50	----[2]	----[2]	Sitka Telephone Company
Alakanuk	15.50	0.60	1.05	United Utilities, Inc.
Aleknagik	14.00	2.15	0.95	Nushagak Telephone Cooperative, Inc.
Allakaket	17.50	----[2]	----[2]	Sitka Telephone Company
Ambler	15.95	1.60	0.70	OTZ Telephone Cooperative, Inc.
Anaktuvuk Pass	7.30	3.20	1.50	Arctic Slope Telephone Association Coop., Inc.
Angoon	8.70	2.00	0.95	Sitka Telephone Company
Aniak	11.65	0.90	1.50	Bush-Tell, Inc.
Anvik	11.65	0.90	1.50	Bush-Tell, Inc.
Arctic Village	15.50	0.60	1.05	United Utilities, Inc.
Atka	17.50	----[2]	----[2]	Sitka Telephone Company
Atkasuk	7.30	3.20	1.50	Arctic Slope Telephone Association Coop., Inc.
Atmautluak	15.50	0.60	1.05	United Utilities, Inc.
Barrow	12.25	1.15	0.70	General Telephone Company of Alaska
Beaver	15.50	0.60	1.05	United Utilities, Inc.

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(1) Per Access Line.

(2) At this location the monthly rate is for inside wiring and the access line, and telephone equipment is provided on an unregulated basis.

SAMPLE MONTHLY RESIDENTIAL TELEPHONE RATES (CONT.)
(As of December 31, 1983)

Community	Access Line	Inside Wiring(1)	Basic Telephone Instrument	Utility Serving Community
Bethel	$11.35	$1.15	$0.70	General Telephone Company of Alaska
Big Lake	8.90	1.90	1.00	Matanuska Telephone Association, Inc.
Birch Creek	15.50	0.60	1.05	United Utilities, Inc.
Buckland	15.95	1.60	0.70	OTZ Telephone Cooperative, Inc.
Cantwell	8.90	1.90	1.00	Matanuska Telephone Association, Inc.
Cape Pole	17.50	----(2)	----(2)	Sitka Telephone Company
Central	15.50	0.60	1.05	United Utilities, Inc.
Chalkyitsik	15.50	0.60	1.05	United Utilities, Inc.
Chefornak	15.50	0.60	1.05	United Utilities, Inc.
Chevak	15.50	0.60	1.05	United Utilities, Inc.
Chignik	17.50	----(2)	----(2)	Sitka Telephone Company
Chignik Lagoon	17.50	----(2)	----(2)	Sitka Telephone Company
Chignik Lake	17.50	----(2)	----(2)	Sitka Telephone Company
Chitina	14.00	1.05	1.05	Copper Valley Telephone Cooperative, Inc.
Chuathbaluk	15.50	0.60	1.05	United Utilities, Inc.
Chugiak	13.80	1.90	1.00	Matanuska Telephone Association, Inc.
Circle Hot Springs	15.50	0.60	1.05	United Utilities, Inc.
Clear	8.90	1.90	1.00	Matanuska Telephone Association, Inc.
Coffman Cove	17.50	----(2)	----(2)	Sitka Telephone Company
Cold Bay	24.85	0.85	0.80	Interior Telephone Company
Cooper Landing	28.40	0.85	0.80	Interior Telephone Company
Crooked Creek	11.65	0.90	1.50	Bush-Tell, Inc.
Deadhorse	7.30	3.20	1.50	Arctic Slope Telephone Association Coop., Inc.
Deering	15.95	1.60	0.70	OTZ Telephone Cooperative, Inc.
Dillingham	14.00	2.15	0.95	Nushagak Telephone Cooperatiave, Inc.
Eagle River	13.80	1.90	1.00	Matanuska Telephone Association, Inc.
Eek	15.50	0.6	1.05	United Utilities, Inc.
Egegik	17.50	----(2)	----(2)	Sitka Telephone Company
Elfin Cove	17.50	----(2)	----(2)	Sitka Telephone Company

(1) Per Access Line.

(2) At this location the monthly rate is for inside wiring and the access line, and telephone equipment is provided on an unregulated basis.

SAMPLE MONTHLY RESIDENTIAL TELEPHONE RATES (CONT.)
(As of December 31, 1983)

Community	Access Line	Inside Wiring[1]	Basic Telephone Instrument	Utility Serving Community
Elim	$14.20	$0.30	$1.00	Mukluk Telephone Company
Emmonak	15.50	0.60	1.05	United Utilities, Inc.
English Bay	17.50	----[2]	----[2]	Sitka Telephone Company
False Pass	17.50	----[2]	----[2]	Sitka Telephone Company
Ft. Wainwright	3.55	3.65	1.10	Telephone Utilities of Alaska, Inc.
Ft. Yukon	24.85	0.85	0.80	Interior Telephone Company
Galena	28.40	0.85	0.80	Interior Telephone Company
Gambell	15.50	0.60	1.05	United Utilities, Inc.
Glacier View	20.90	1.90	1.00	Matanuska Telephone Association, Inc.
Glennallen	11.30	1.05	1.05	Copper Valley Telephone Cooperative, Inc.
Golovin	14.20	0.30	1.00	Mukluk Telephone Company
Goodnews Bay	15.50	0.60	1.05	United Utilities, Inc.
Grayling	11.65	0.90	1.50	Bush-Tell, Inc.
Gustavus	8.70	2.00	0.95	Sitka Telephone Company
Haines	7.05	1.15	0.70	General Telephone Company of Alaska
Halibut Cove	17.50	----[2]	----[2]	Sitka Telephone Company
Healy	8.90	1.90	1.00	Matanuska Telephone Association, Inc.
Hobart Bay	17.50	----[2]	----[2]	Sitka Telephone Company
Holy Cross	11.65	0.90	1.50	Bush-Tell, Inc.
Hoonah	8.70	2.00	0.95	Sitka Telephone Company
Hooper Bay	15.50	0.60	1.05	United Utilities, Inc.
Hughes	17.50	----[2]	----[2]	Sitka Telephone Company
Huslia	17.50	----[2]	----[2]	Sitka Telephone Company
Hyder	3.45	1.15	0.70	General Telephone Company of Alaska
Iliamna	28.40	0.85	0.80	Interior Telepnone Company
Ivanoff Bay	17.50	----[2]	----[2]	Sitka Telephone Company
Kake	8.70	2.00	0.95	Sitka Telephone Company
Kakhonak	17.50	----[2]	----[2]	Sitka Telephone Company
Kaktovik	7.30	3.20	1.50	Arctic Slope Telephone Association Coop., Inc.

[1] Per Access Line.

[2] At this location the monthly rate is for inside wiring and the access line, and telephone equipment is provided on an unregulated basis.

SAMPLE MONTHLY RESIDENTIAL TELEPHONE RATES (CONT.)
(As of December 31, 1983)

Community	Access Line	Inside Wiring[1]	Basic Telephone Instrument	Utility Serving Community
Kalskag	$11.65	$0.90	$1.50	Bush-Tell, Inc.
Kaltag	17.50	----[2]	----[2]	Sitka Telephone Company
Karluk	17.50	----[2]	----[2]	Sitka Telephone Company
Kasaan	17.50	----[2]	----[2]	Sitka Telephone Company
Kasigluk	15.50	0.60	1.05	United Utilities, Inc.
Kiana	15.95	1.60	0.70	OTZ Telephone Cooperative, Inc.
King Cove	28.40	0.85	0.80	Interior Telephone Company
King Salmon	10.60	4.40	1.85	Bristol Bay Telephone Communications Cooperative, Inc.
Kipnuk	15.50	0.60	1.05	United Utilities, Inc.
Kivalina	15.95	1.60	0.70	OTZ Telephone Cooperative, Inc.
Klawock	8.70	2.00	0.95	Sitka Telephone Company
Kobuk	15.95	1.60	0.70	OTZ Telephone Cooperative, Inc.
Kongiganak	15.50	0.60	1.05	United Utilities, Inc.
Kotlik	15.50	0.60	1.05	United Utilities, Inc.
Kotzebue	15.95	1.60	0.70	OTZ Telephone Cooperative, Inc.
Koyuk	14.20	0.30	1.00	Mukluk Telephone Company
Kwethluk	15.50	0.60	1.05	United Utilities, Inc.
Kwigillingok	15.50	0.60	1.05	United Utilities, Inc.
Larsen Bay	17.50	----[2]	----[2]	Sitka Telephone Company
Marshall	15.50	0.60	1.05	United Utilities, Inc.
McGrath	11.35	1.15	0.70	General Telephone Company of Alaska
Mekoryuk	15.50	0.60	1.05	United Utilities, Inc.
Mentasta	14.00	1.05	1.05	Copper Valley Telephone Cooperative, Inc.
Meshik	17.50	----[2]	----[2]	Sitka Telephone Company
Metlakatla	7.90	1.15	0.70	General Telephone Company of Alaska
Minto	15.50	0.60	1.05	United Utilities, Inc.
Moose Pass	9.60	1.15	0.70	General Telephone Company of Alaska
Mt. Edgecumbe	8.70	2.00	0.95	Sitka Telephone Company

[1] Per Access Line.

[2] At this location the monthly rate is for inside wiring and the access line, and telephone equipment is provided on an unregulated basis.

SAMPLE MONTHLY RESIDENTIAL TELEPHONE RATES (CONT.)
(As of December 31, 1983)

Community	Access Line	Inside Wiring[1]	Basic Telephone Instrument	Utility Serving Community
Mt. Village	$15.50	$0.60	$1.05	United Utilities, Inc.
Naknek	10.60	4.40	1.85	Bristol Bay Telephone Communications Cooperative, Inc.
Napakiak	15.50	0.60	1.05	United Utilities, Inc.
Napaskiak	15.50	0.60	1.05	United Utilities, Inc.
Nelson Lagoon	17.50	----[2]	----[2]	Sitka Telephone Company
Newtok	15.50	0.60	1.05	United Utilities, Inc.
Nightmute	15.50	0.60	1.05	United Utilities, Inc.
Nikolai	15.50	0.60	1.05	United Utilities, Inc.
Nikolski	17.50	----[2]	----[2]	Sitka Telephone Company
Noatak	15.95	1.60	0.70	OTZ Telephone Cooperative, Inc.
Nome	7.90	1.15	0.70	General Telephone Company of Alaska
Nondalton	17.50	----[2]	----[2]	Sitka Telephone Company
Noorvik	15.95	1.60	0.70	OTZ Telephone Cooperative, Inc.
Northway	15.25	2.00	0.95	Sitka Telephone Company
Nuiqsut	7.30	3.20	1.50	Arctic Slope Telephone Association Coop., Inc.
Nulato	17.50	----[2]	----[2]	Sitka Telephone Company
Nunapitchuk	15.50	0.60	1.05	United Utilities, Inc.
Old Harbor	17.50	----[2]	----[2]	Sitka Telephone Company
Ouzinkie	17.50	----[2]	----[2]	Sitka Telephone Company
Palmer	8.90	1.90	1.00	Matanuska Telephone Association, Inc.
Pedro Bay	17.50	----[2]	----[2]	Sitka Telephone Company
Pelican	7.65	2.00	0.95	Sitka Telephone Company
Perryville	17.50	----[2]	----[2]	Sitka Telephone Company
Petersburg	9.60	1.15	0.70	General Telephone Company of Alaska
Pilot Point	17.50	----[2]	----[2]	Sitka Telephone Company
Pilot Station	15.50	0.60	1.05	United Utilities, Inc.
Platinum	15.50	0.60	1.05	United Utilities, Inc.
Point Alexander	17.50	----[2]	----[2]	Sitka Telephone Company

[1] Per Access Line.

[2] At this location the monthly rate is for inside wiring and the access line, and telepnone equipment is provided on an unregulated basis.

SAMPLE MONTHLY RESIDENTIAL TELEPHONE RATES (CONT.)
(As of December 31, 1983)

Community	Access Line	Inside Wiring[1]	Basic Telephone Instrument	Utility Serving Community
Point Baker	$17.50	----[2]	----[2]	Sitka Telephone Company
Point Hope	7.?0	$3.20	$1.50	Arctic Slope Telephone Association Coop., Inc.
Point Lay	7.30	3.20	1.50	Arctic Slope Telephone Association Coop., Inc.
Port Alsworth	17.50	----[2]	----[2]	Sitka Telephone Company
Port Graham	17.50	----[2]	----[2]	Sitka Telephone Company
Port Lions	15.10	0.85	0.80	Interior Telephone Company
Port Protection	17.50	----[2]	----[2]	Sitka Telephone Company
Quinhagak	15.50	0.60	1.05	United Utilities, Inc.
Rampart	15.50	0.60	1.05	United Utilities, Inc.
Red Devil	11.65	0.90	1.50	Bush-Tell, Inc.
Ruby	4.85	0.90	2.45	Yukon Telephone Company, Inc.
Russian Mission	15.50	0.60	1.05	United Utilities, Inc.
Sand Point	15.10	0.85	0.80	Interior Telephone Company
Savoonga	15.50	0.60	1.05	United Utilities, Inc.
Scammon Bay	15.50	0.60	1.05	United Utilities, Inc.
Selawik	15.95	1.60	0.70	OTZ Telephone Cooperative, Inc.
Seward	9.60	1.15	0.70	General Telephone Company of Alaska
Shageluk	11.65	0.90	1.50	Bush-Tell, Inc.
Shaktoolik	14.20	0.30	1.00	Mukluk Telephone Company
Shishmaref	14.20	0.30	1.00	Mukluk Telephone Company
Shungnak	15.95	1.60	0.70	OTZ Telephone Cooperative, Inc.
Sitka	8.70	2.00	0.95	Sitka Telephone Company
Sleetmute	11.65	0.90	1.50	Bush-Tell, Inc.
Squaw Harbor	17.50	----[2]	----[2]	Sitka Telephone Company
St. George	17.50	----[2]	----[2]	Sitka Telephone Company
St. Marys	15.50	0.60	1.05	United Utilities, Inc.
St. Michael	14.20	0.30	1.00	Mukluk Telephone Company
St. Paul	12.65	0.65	1.30	Sitka Telephone Company
Stebbins	14.20	0.30	1.00	Mukluk Telephone Company
Stevens Village	15.50	0.60	1.05	United Utilities, Inc.

[1] Per Access Line.

[2] At this location the monthly rate is for inside wiring and the access line, and telephone equipment is provided on an unregulated basis.

SAMPLE MONTHLY RESIDENTIAL TELEPHONE RATES (CONT.)
(As of December 31, 1983)

Community	Access Line	Inside Wiring[1]	Basic Telephone Instrument	Utility Serving Community
Stony River	$11.65	$0.90	$1.50	Bush-Tell, Inc.
Takotna	15.50	0.60	1.05	United Utilities, Inc.
Talkeetna	8.90	1.90	1.00	Matanuska Telephone Association, Inc.
Tanana	4.85	0.90	2.45	Yukon Telephone Company, Inc.
Tatitlik	14.00	1.05	1.05	Copper Valley Telephone Cooperative, Inc.
Telida	15.50	0.60	1.05	United Utilities, Inc.
Teller	14.20	0.30	1.00	Mukluk Telephone Company
Tenakee Springs	17.50	----[2]	----[2]	Sitka Telephone Company
Thorne Bay	8.70	2.00	0.95	Sitka Telephone Company
Togiak	15.50	0.60	1.05	United Utilities, Inc.
Toksook Bay	15.50	0.60	1.05	United Utilities, Inc.
Tuluksak	15.50	0.60	1.05	United Utilities, Inc.
Tuntutuliak	15.50	0.60	1.05	United Utilities, Inc.
Tununak	15.50	0.60	1.05	United Utilities, Inc.
Tyonek	8.90	1.90	1.00	Matanuska Telephone Association, Inc.
Unalakleet	11.35	1.15	0.70	General Telephone Company of Alaska
Unalaska	28.40	0.85	0.80	Interior Telephone Company
Valdez	9.25	1.05	1.05	Copper Valley Telephone Cooperative, Inc.
Venetie	15.50	0.60	1.05	United Utilities, Inc.
Wainwright	7.30	3.20	1.50	Arctic Slope Telephone Association Coop., Inc.
Wales	14.20	0.30	1.00	Mukluk Telephone Company
Wasilla	8.90	1.90	1.00	Matanuska Telephone Association, Inc.
White Mountain	14.20	0.30	1.00	Mukluk Telephone Company
Willow	8.90	1.90	1.00	Matanuska Telephone Association, Inc.
Wrangell	9.60	1.15	0.70	General Telephone Company of Alaska
Yakutat	7.65	2.00	0.95	Sitka Telephone Company

[1] Per Access Line.

[2] At this location the monthly rate is for inside wiring and the access line, and telephone equipment is provided on an unregulated basis.

SAMPLE MONTHLY RESIDENTIAL TELEPHONE RATES (CONT.)
(As of December 31, 1983)

RESIDENTIAL RATES NOT YET UNBUNDLED

Community	Single Party Residential Service	Utility Serving Community
Anchorage[1]	$ 9.05 - 14.95	Anchorage Telephone Utility
Bird	13.25	Anchorage Telephone Utility
Craig	10.00	National Utilities, Inc.
Delta Junction	25.80	Glacier State Telephone Company
Douglas	13.53	Juneau and Douglas Telephone Company
Ft. Greely	25.80	Glacier State Telephone Company
Ft. Richardson	10.15	Anchorage Telephone Utility
Girdwood	11.00	Anchorage Telephone Utility
Homer	18.29	Glacier State Telephone Company
Hope	11.00	Anchorage Telephone Utility
Hydaburg	10.00	National Utilities, Inc.
Indian	13.25	Anchorage Telephone Utility
Juneau	13.53	Juneau and Douglas Telephone Company
Kenai	22.23	Glacier State Telephone Company
Kodiak	16.44	Glacier State Telephone Company
Nenana	25.80	Glacier State Telephone Company
Ninilchik	22.23	Glacier State Telephone Company
North Kenai	22.23	Glacier State Telephone Company
North Pole	25.80	Glacier State Telephone Company
Seldovia	24.26	Glacier State Telephone Company
Skagway	8.00	National Utilities, Inc.
Soldotna	22.23	Glacier State Telephone Company
Tok	12.00	National Utilities, Inc.
Whittier	11.00	Whittier Telephone Company

[1] Anchorage Telephone Utility has 8 zones in the Anchorage exchange. The monthly rate for service in the base rate area is $9.05. In Zone 2A-6, the monthly rate is $14.95. Intermediate zones have rates between $9.05 and $14.95.

BUSH PROGRAM

(Communities which are receiving dial telephone service through the Bush Telephone Program of Alascom, Inc.)

Community With Single Toll Phone	Expected Service Date of Local Exchange Service	Company to Provide Local Exchange Service
Cape Pole	----	Sitka Telephone Company
Clark's Point	1985	Nushagak Telephone Cooperative
Council	1985	Mukluk Telephone Company
Crooked Creek	1984	Bush Tell
Ekuk	1985	Nushagak Telephone Cooperative
Ekwok	1984	Bristol Bay Telephone Cooperative
Elfin Cove	1984	Sitka Telephone Company
Igiugig	1984	Bristol Bay Telephone Cooperative
Ivanov Bay	1984	Sitka Telephone Company
Koliganek	1984	Bristol Bay Telephone Cooperative
Koyukuk	----	(Local Exchange Service Opposed)
Levelock	1984	Bristol Bay Telephone Cooperative
Lime Village	1984	United Utilities
Little Diomede	----	Mukluk Telephone Company
Manokotak	1985	Nushagak Telephone Company
Meshik	1984	Sitka Telephone Company
New Stuyahok	1984	Bristol Bay Telephone Cooperative
Nondalton	1984	Sitka Telephone Company
Point Baker	1984	Sitka Telephone Company
Port Alsworth	1984	Sitka Telephone Company
Port Protection	1985	Sitka Telephone Company
Portage Creek	1985	Sitka Telephone Company
Red Devil	1984	Bush Tell
Sheldon Point	1984	Sitka Telephone Company
Sleetmute	1984	Bush Tell
Squaw Harbor	1985	Sitka Telephone Company
Tetlin	----	National Utilities
Twin Hills	1984	United Utilities

CERTIFICATED WATER UTILITIES

Alyeska Utilities, Inc.
Anchorage Water Utility
Municipality of Anchorage d/b/a
Barrow Utilities and Electric Cooperative, Inc.
Central Alaska Utilities, Inc.
Chugiak Utilities
College Utilities Corporation
*Copper Valley Construction Company
*Cordova, City of
*Craig, City of
Dawn Development Corporation
*Dillingham, City of
Eklutna Utilities, Inc.
ERU, Inc.
*Fairbanks Municipal Utilities System
Glacier Utilities, Inc.
*Haines, City of
*Homer, City of
*Hoonah, City of
*Hydaburg, City of
*Juneau, City and Borough of
*Kake, City of
*Kenai, City of
*Ketchikan Public Utilities, City of
*Klawock, City of
*Kodiak, City of
*Kotzebue Municipal Utilities, City of
Kwik Log Water System
Myron Alion Newton d/b/a
Matanuska Utility Company, Inc.
Mendenhaven Improvement & Maintenance Corp.
McCann, Alfred O.
McGahan Utilities, Inc.
McKinley Utilities, Inc.
*Mountain Point Service Area of the Ketchikan Gateway Borough
*Nome, City of
Nome Water and Sewer Utilities d/b/a
Norfolk Utilities, Inc.
*North Pole, City of
North Pole Utility d/b/a
Omlin, Inc., Paul
*Palmer, City of
Pelican Utility Company
*Petersburg, City of
Rhodes, R. J. & Clara
Romig Park Improvement Company
S & S Development
Robert M. & Evelyn V. Scott,
Charles J. & Marlene C. Schneider d/b/a
*Saxman, City of
*Seldovia, City of
Settlers Bay Properties, Inc.
*Seward, City of
*Sitka, City and Borough of
*Skagway, City of
*Soldotna, City of
Spenard Heights Water System
Wayne Cates d/b/a
Sunny Slopes Water System
Thomas R. Brewer & Robert T. Griffin d/b/a
*Thorne Bay, City of
*Unalaska, City of
*Valdez, City of
Valley Water Company, Inc.
*Wasilla, City of
*Whittier, City of
*Wrangell, City of
*Yakutat, City of

(*)Not regulated by Alaska Public Utilities Commission as to rates and services.

WATER UTILITIES
(1983 Reporting Year)

Utility	Net Plant[1]	Gross Revenues	Net Income	Users
CLASS A (Gross Operating Revenue greater than $1,000,000)				
Anchorage Water Utility Municipality of Anchorage d/b/a	$17,293,799	$ 8,440,839	$1,008,283	19,499
Barrow Utilities & Electric Coop., Inc.	---[2]	1,215,807	433,194	8
Central Alaska Utilities, Inc.	9,035,472	4,226,805	690,474	13,866
Subtotal - CLASS A	$26,329,271	$13,883,451	$2,131,951	33,373
CLASS B (Gross Operating Revenue greater than $500,000 but less than $1,000,000)				
College Utilities Corp.[3]	$ 2,309,374	$ 996,430	$ 230,817	1,319
Subtotal - CLASS B	$ 2,309,374	$ 996,430	$ 230,817	1,319
CLASS D (Gross Operating Revenue less than $250,000)				
Alyeska Utilities, Inc.[4]	$ 88,185	$ 79,818	$ (6,420)	391
Chugiak Utilities, Inc.	8,029	29,402	20,611	148
Dawn Development Corporation[5]	---	---	---	---
Eklutna Utilities, Inc.	491,558	113,077	(173,286)	303
Glacier Utilities, Inc.[5]	---	---	---	---
Kwik Log Water System Myron Allon Newton d/b/a	6,000	2,584	---[5]	19
Matanuska Utility Co., Inc.[5]	---	---	---	---
McCann, Alfred O.	103,180	23,991	5,316	77
McGahan Utilities, Inc.[5]	---	---	---	---
Mendenhaven Improvement & Maintenance Corp.	50,285	21,387	10,208	178
Norfolk Utilities & Development, Inc.	2,737,351	143,800	45,130	567
Paul Omlin, Inc.[5]	---	---	---	---
Pelican Utility Company[6]	260,158	12,156	640	74
Rhodes, R.J. & Clara	100,013	14,959	(9,601)	140
Romig Park Improvement Company[7]	1,500	11,893	5,413	82
S & S Development	338,780	87,580	6,012	582
Settlers Bay Properties, Inc.	358,748	2,794	(18,961)	31
Spenard Heights Water System Wayne Cates d/b/a	9,500	4,500	-0-	22
Sunny Slopes Water System	25,383	21,025	-0-	107
Valley Water Company, Inc.[6]	150,096	95,492	36,211	160
Subtotal - CLASS D	$ 4,728,766	$ 664,458	$ (78,727)	2,881
TOTAL CLASSES A, B & D	$33,367,411	$15,544,339	$2,284,041	37,573

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(1) Net of contributions in aid of construction which consist of assessments or grants from customers or other sources which are used to fund plant construction costs.

(2) Water plant not segregated from wastewater plant.

(3) Information presented for year ended 11/30/83.

(4) Information presented for year ended 9/30/83.

(5) Information not available.

(6) Information presented for year ended 3/31/83.

(7) Information presented for year ended 4/30/83.

SAMPLE MONTHLY RESIDENTIAL WATER RATES
(As of December 31, 1983)

COMMUNITY	LOCATION	UNMETERED FLAT RATE	UTILITY SERVING COMMUNITY
Anchorage	Anchorage	$11.90	Anchorage Water Utility Municipality of Anchorage d/b/a
	Anchorage	20.71[1]	Central Alaska Utilities, Inc.
	Brookwoods Subdivision	14.40	Glacier Utilities, Inc.
	Campbell Heights	7.60	Glacier Utilities, Inc.
	Kwik Log Subdivision	8.00	Kwik Log Water System Myron Allon Newton d/b/a
	Rangeview Trailer Court	5.00	Rangeview Utilities
	Romig Park Subdivision	4.00	Romig Park Improvement Company, Inc.
	Seacliff Subdivision	9.00	R.J. & Clara Rhodes
	Spenard Heights Subdivision	10.50	Spenard Heights Water System Wayne Cates d/b/a
	Strutz and Morehand Subd.	23.65	Alfred O. McCann
Chugiak	Chugiak	26.00	McKinley Utilities, Inc.
	North Woods Subdivision	22.50	Chugiak Utilities, Inc.
	Peters Creek	25.00	Dawn Development Corporation
	Thunderbird Heights Subd.	24.30	Eklutna Utilities, Inc.
Eagle River	Eagle River	23.50	Norfolk Utilities, Inc.
	Eagle River	11.90	Anchorage Water Utility Municipality of Anchorage d/b/a
	Hylen Crest Subd.	25.00	ERU, Inc.
	Palos Verdes	10.60	Glacier Utilities, Inc.
	Stewart Subd.	25.00	ERU, Inc.
	Sunny Slopes	14.91	Sunny Slopes Water System
Fairbanks	College	36.25[2]	College Utilities Corp.
	Lakloey Subdivision	49.71	Valley Water Company, Inc.
Girdwood	Alyeska	14.60	Alyeska Utilities, Inc.
Juneau	Mendenhaven	10.00	Mendenhaven Improvement & Maintenance Corporation
	Switzer Village	13.00	S & S Development
Kenai Peninsula	Nikiski	$12.50	McGahan Utilities, Inc.
Pelican	Pelican, City of	5.60	Pelican Utility Company
Wasilla	Century Park Subdivision	26.00	Matanuska Utility Company, Inc.
	Knik Road	7.00	Settler's Bay Properties, Inc.
	Swiss Castle Estates Wasilla West (Tract 1)	23.00	Paul Omlin, Inc.

[1] In late 1983 the areas served by Central Alaska Utilities, Inc. (CAU) were merged into the service area of the Anchorage Water Utility (AWU). The rates for most of the former CAU customers were changed to those of AWU.

[2] Average monthly bill, including $4.69 fire protection charge, for metered residential customers.

CERTIFICATED WASTEWATER UTILITIES

Anchorage Sewer Utility
  Municipality of Anchorage d/b/a
Barrow Utilities and Electric Cooperative, Inc.
College Utilities Corporation
*Copper Valley Construction Company
*Cordova, City of
*Craig, City of
*Dillingham, City of
*Fairbanks Municipal Utilities System
*Haines, City of
*Homer, City of
*Hoonah, City of
*Juneau, City and Borough of
*Kake, City of
*Kenai, City of
*Kodiak, City of
*Kotzebue Municipal Utilities, City of
*Nome, City of
  Nome Water & Sewer Utilities d/b/a
*North Pole, City of
  North Pole Utility d/b/a
*Palmer, City of
*Petersburg, City of
Salmantof Utilities, Inc.
*Saxman, City of
*Seldovia, City of
Settlers Bay Properties, Inc.
*Seward, City of
*Sitka, City and Borough of
*Skagway, City of
*Soldotna, City of
*Thorne Bay, City of
*Valdez, City of
*Wasilla, City of
*Whittier, City of
*Wrangell, City o'

(*)Not regulated by Alaska Public Utilities Commission as to rates and services.

WASTEWATER UTILITIES
(1983 Reporting Year)

Utility	Net Plant[1]	Total Revenues	Net Income	Users
CLASS A (Gross Operating Revenue greater than $1,000,000)				
Anchorage Sewer Utility Municipality of Anchorage d/b/a	$35,504,328	$16,103,018	$209,157	36,938
Subtotal - CLASS A	$35,504,328	$16,103,018	$209,157	36,938
CLASS B (Gross Operating Revenue greater than $500,000 but less than $1,000,000)				
College Utilities Corp.[1]	$ 1,034,984	$ 921,858	$ 82,264	1,283
Subtotal - CLASS B	$ 1,034,984	$ 921,858	$ 82,264	1,283
CLASS D (Gross Operating Revenue less than $250,000)				
Barrow Utilities & Electric Cooperative, Inc.	---[2]	$ 178,225	$ 23,418	3
Salmantof Utilities, Inc.	---[3]	486	---[3]	3
Settlers Bay Properties, Inc.	-0-	130	(21,668)	1
Subtotal - CLASS D	-0-	$ 178,841	$ 1,750	7
TOTALS - Classes A, B & D	$36,539,312	$17,203,717	$293,171	38,228

SAMPLE MONTHLY RESIDENTIAL WASTEWATER RATES
(As of December 31, 1983)

COMMUNITY	FLAT RATE	UTILITY SERVING COMMUNITY
Anchorage Eagle River Girdwood	$ 14.70[4]	Anchorage Sewer Utility Municipality of Anchorage d/b/a
Fairbanks	20.96[5]	College Utilities Corp.
Kenai	13.50	Salmantof Utilities, Inc.
Settler's Bay	10.85	Settler's Bay Properties, Inc.

[1] Information Presented for Year Ended 11/30/83.

[2] Wastewater Plant Not Segregated from Water and General Plant.

[3] Information Not Available.

[4] Effective January 1, 1984.

[5] Average Single Family Metered Bill.

CERTIFICATED REFUSE UTILITIES

*Anchorage, Municipality of
Anchorage Refuse, Inc.
*Bob's Disposal Service
Bobby C. Pate d/b/a
Burton Carver & Company, Inc.[1]
Channel Sanitation Corporation
*Colville Environmental Services
*Copper Valley Construction Company
*Delta Sanitation
Joe Peters d/b/a
*Dillingham Refuse, Inc.
Drake's Sanitation Service
Harvey Drake d/b/a
*Duke
Allan W. Duke d/b/a
Eagle River Refuse, Inc.
*Fairbanks, City of
Department of Public Works d/b/a
Far North Sanitation Service, Inc.
*Haines Sanitation
Frank E. & Arla L. Shull d/b/a
*Interior Services
Ralph E. Bartlett d/b/a
*Irwin's Garbage Disposal
John D. or Jennie Irwin d/b/a
*J. D. Refuse Service
Delores R. Burnham d/b/a
Kodiak Sanitation, Inc.
*Lando Collection & Disposal Service
Chris Lando d/b/a
*March Disposal
Robert Marlow & George Chapman d/b/a
*Marche Sanitation
Chris Escalente & Marc Golat d/b/a
*Naabia Niign, Ltd.
*North Slope Borough
*Palmer, City of
*Patterson Sanitation & Refuse Service
Earl G. Patterson d/b/a
Peninsula Sanitation Company, Inc.
*Seward Service
Herman E. Leirer d/b/a
*Shelborne, David R.
*Thorne Bay, City of
*Tongass Sanitation
Wallace A. & Diana L. Crowe d/b/a
*Valdez Alaska Terminals, Inc.
Wasilla Refuse, Inc.[2]

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[1] Burton Carver and Co., Inc., is the holder of two refuse utility certificates, one for service to Hope and Turnagain Arm, the other to Homer.

[2] Wasilla Refuse, Inc., is the holder of two refuse utility certificates for service in the Palmer/Wasilla area because of its acquisition of Anderson Refuse.

(*)Not regulated by Alaska Public Utilities Commission as to rates and services.

REFUSE UTILITIES
(1983 REPORTING YEAR)

Utility	Net Plant	Total Revenues	Net Income	Customers
CLASS I (Gross Operating Revenue greater than $250,000)				
Anchorage Refuse, Inc.	$1,987,766	$6,008,430	$354,427	21,350
Burton Carver & Co., Inc. (Hope and Turnagain Arm)[1]	---	---	---	---
Burton Carver & Co., Inc. (Homer)[1]	---	---	---	---
Channel Sanitation[2]	255,984	1,355,419	(574,279)	4,014
Eagle River Refuse, Inc.	19,361	533,385	69,277	2,771
Far North Sanitation Service, Inc.	230,653	659,238	(24,951)	754
Kodiak Sanitation, Inc.	267,896	638,438	83,266	272
Peninsula Sanitation Co.[1]	---	---	---	---
TOTAL	$2,761,660	$9,194,910	$(92,260)	29,161

SAMPLE MONTHLY RESIDENTIAL REFUSE RATES
(As of December 31, 1983)

COMMUNITY	1 RECEPTACLE 1 PICK-UP/ WEEK	2 RECEPTACLES 1 PICK-UP/ WEEK	UTILITY
Anchorage	$ 8.50	$ 8.50	Anchorage Refuse, Inc.
Eagle River	9.67	9.67	Eagle River Refuse, Inc.
Fairbanks	6.00	6.00	Far North Sanitation Services
Girdwood/Alyeska	11.50	11.50	Burton Carver & Co., Inc.
Homer	9.23	12.98	Burton Carver & Co., Inc.
Hope-Turnagain Arm	11.50	11.50	Burton Carver & Co., Inc.
Juneau	13.33	13.33	Channel Sanitation
Kenai	7.88	11.17	Peninsula Sanitation Co.
Kodiak	5.50	5.50	Kodiak Sanitation, Inc.

[1] Information not available

[2] Information Presented for Year Ended 8/31/83

CERTIFICATED AND REGULATED PIPELINE CARRIERS

Amerada Hess Pipeline Corporation

Arco Pipe Line Company

BP Pipelines, Inc.

Cook Inlet Pipe Line Company

Exxon Pipeline Company

Golden Valley Electric Association, Inc.

Kenai Pipe Line Company

Kuparuk Pipeline Company

Mobil Alaska Pipeline Company

Nikiski Alaska Pipeline Company

Phillips Alaska Pipeline Corporation

Sohio Pipe Line Company

Union Alaska Pipeline Company

FINANCIAL INFORMATION COVERING
OIL PIPELINE COMPANIES
FOR YEAR ENDING DECEMBER 31, 1983
(in 000's)

COMPANY	PROPERTY GROSS	PROPERTY NET	TOTAL REVENUE GROSS	TOTAL REVENUE NET	THROUGHPUT BARRELS[1]
Amerada Hess Pipeline Corporation	$ 148,339	$ 107,592	$ 58,072	$ 45,351	$ 9,034
Arco Pipeline Company	2,043,736	1,596,646	747,117	569,672	127,728
BP Pipelines, Inc.	1,606,522	1,253,301	546,758	410,662	101,050
Cook Inlet Pipeline Company	42,362	15,881	23,064	12,748	18,763
Exxon Pipeline Company	1,901,300	1,467,114	668,955	497,994	123,909
Golden Valley Electric Association, Inc.	4,408	3,246	740	436	16,873
Kenai Pipe Line Company	12,452	5,300	4,358	2,759	21,240
Kuparuk Pipeline Company	108,885	102,971	39,811	32,466	39,811
Mobil Alaska Pipeline Company	395,784	304,124	153,549	118,466	24,771
Phillips Alaska Pipeline Corporation	125,676	96,504	50,486	39,419	8,111
Sohio Pipe Line Company	3,262,169	2,518,700	1,220,158	954,236	200,496
Tesoro Alaska Pipeline Company	22,349	17,043	6,859	2,312	0[2]
Union Alaska Pipe Line Company	125,828	97,283	49,139	39,070	8,218
TOTAL	$9,799,810	$7,585,705	$3,569,066	$2,725,591	$700,004

[1] Crude Oil.

[2] Tesoro shipped 8,966 barrels of gasoline, jet fuels and other high volatile petroleum fuels and 1,003 barrels of distillate fuel oil.

THE ALASKA PUBLIC UTILITIES COMMISSION

Carolyn S. Guess, Chairman
Marvin R. Weatherly
Susan M. Knowles
Diana E. Snowden
Louis E. Agi

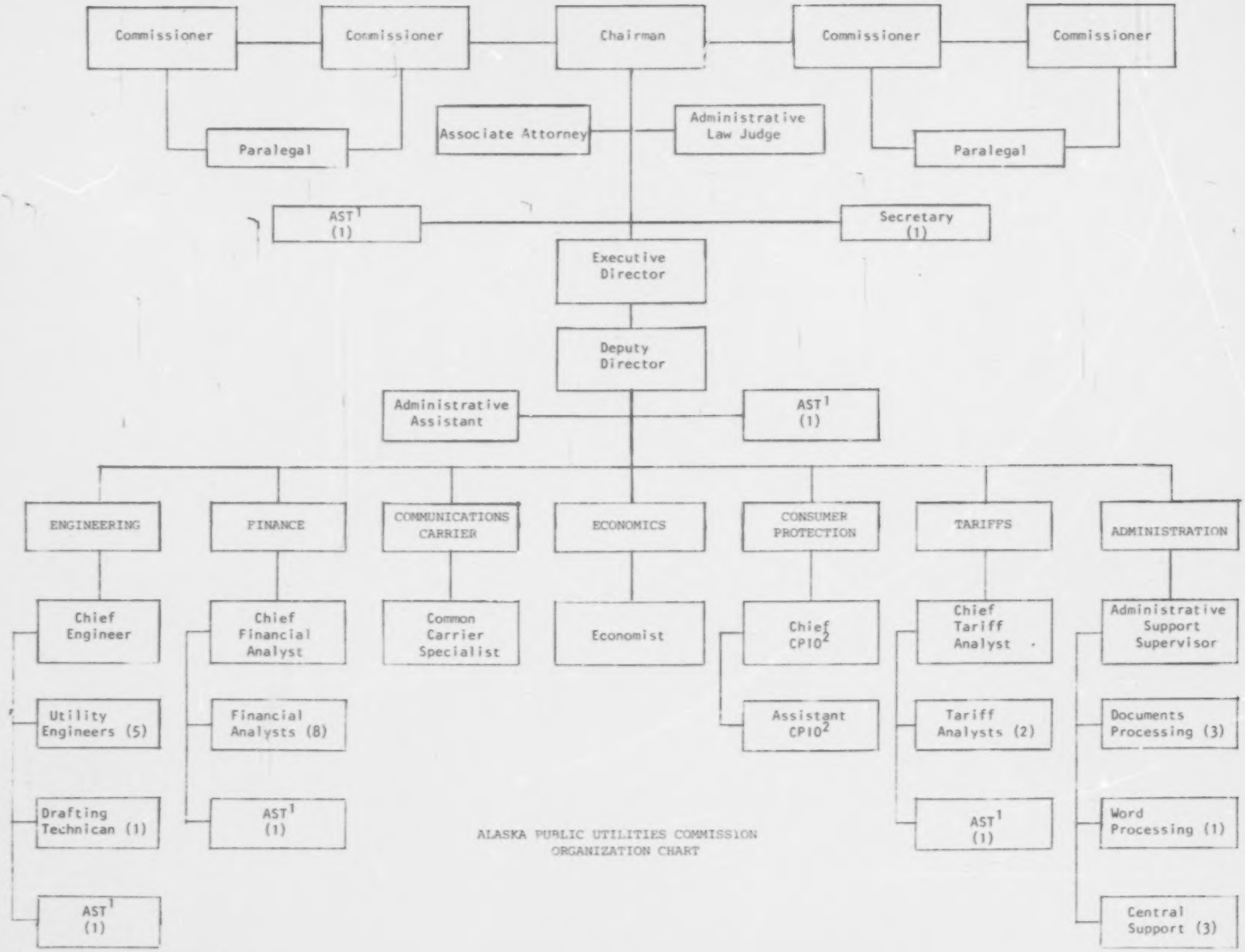
Carolyn S. Guess, Chairman (Assumed Commissionership October 1, 1975 - current term ends September 28, 1987; Appointed Chairman March 17, 1981): College of William & Mary (BA); Acting Executive Director, APUC, 1979; Committee on Administration, National Association of Regulatory Utility Commissioners; Vice Chairman of Alaska Educational Broadcasting Commission; born September 24, 1934, Montclair, New Jersey.

Marvin R. Weatherly, Commissioner (Assumed Commissionership September 2, 1975 - current term ends October 31, 1984): Capitol Radio Engineering Institute; Member, Member - Permanent Federal/State Joint Board on Telecommunications; Committee on Communications, National Association of Regulatory Utility Commissioners; U.S. Marine Corps; Engineer for Bendix Radio-Alaska; Chief Engineer of Northern Television - Alaska; Project Manager of Page Communications Engineers - Viet Nam; Deputy Director, Viet Nam Operations, Control Data Corp.; Executive Director of Alaska Educational Broadcasting Commission; Director of Governor's Office of Telecommunications; born June 1, 1932, Fresno, California; married.

Susan M. Knowles, Commissioner (Assumed Commissionership October 1, 1975 - current term ends September 28, 1987): Vassar College (BA) Political Science; University of Alaska (MBA) Business Administration - Finance; First Vice President - National Association of Regulatory Commissions (NARUC; 1983-1984); Second Vice President - NARUC (1982-1983); Board of Directors - National Regulatory Research Institute (1982-1984); President, Vice President, Secretary Treasurer, Executive Committee - Western Conference of Public Service Commissions (1977-1982); Advisory Council - Gas Research Institute (1978-1984); Committee on Gas - NARUC (1976-1984); Community Enterprise Development Corporation; property investment finance manager; restaurateur; born December 4, 1946, New York, New York; married, two children.

Diana E. Snowden, Commissioner (Assumed Commissionership September 28, 1981 - current term ends October 31, 1986): Trinity College (BA); Georgetown University (MA); University of Alaska (MPA); University of Alaska (CLMR); Vice President of Industrial Relations, Alascom, Inc. and Telephone Utilities, Inc. (1979-1981); Director of Employee Relations, Anchorage School District (1973-1979); Assistant Vice President and Treasurer, Westwood Management Corp. (1970-1973); Marketing Manager, Systems Research Corp. (1969-1970); Chairwoman, Alaska State Commission for Human Rights (1976-1981); born October 29, 1947, New York, New York.

Louis E. Agi, Commissioner (Assumed Commissionership February 7, 1983 - current term ends October 31, 1988): Columbia College (BA) Experimental Psychology, 1963; New York University School of Law (LL.B.), 1966; Assistant Attorney General, State of Alaska (Alaska Public Utilities Commission); Assistant District Attorney, Third Judicial District (Anchorage); District Attorney, Second Judicial District (Nome); private practice; admitted to practice in Alaska, Florida and New York; born June 11, 1941, New York, New York, married, one child.



ALASKA PUBLIC UTILITIES COMMISSION
ORGANIZATION CHART

[1]Administrative Support Technician

[2]Consumer Protection Information Officer

ALASKA PUBLIC UTILITIES COMMISSION
OPERATING BUDGET - FISCAL YEARS 1980 - 1983

APPROPRIATION		LINE ITEM DETAIL		REVENUE ACTIVITY	
FISCAL YEAR	TOTAL APPROPRIATION	FY APPROPRIATION	FY EXPENDITURES	REVENUE RECOVERED	
1980	$1,705,600.00				
100	Personal Services	$1,348,000.00	$1,273,300.00		
200	Travel	65,500.00	52,300.00	GENERAL FUND:	$12,800.00
300	Contractual - General Fund	279,700.00	258,300.00		
300	Contractual - Program Rcpts	$0.00	$0.00	PROGRAM RECEIPTS:	0.00
400	Commodities	10,100.00	10,000.00		
500	Equipment	2,300.00	2,200.00		
	TOTAL	$1,705,600.00	$1,596,100.00	TOTAL	$12,800.00
1981	$1,979,200.00				
100	Personal Services	$1,689,000.00	$1,553,760.75		
200	Travel	67,200.00	58,081.07	GENERAL FUND:	$3,600.00
300	Contractual - General Fund	198,500.00	186,058.99		
300	Contractual - Program Rcpts	0.00	0.00	PROGRAM RECEIPTS:	0.00
400	Commodities	15,800.00	15,358.75		
500	Equipment	8,700.00	8,344.52		
	TOTAL	$1,979,200.00	$1,821,604.08	TOTAL	$3,600.00

ALASKA PUBLIC UTILITIES COMMISSION
OPERATING BUDGET - FISCAL YEARS 1980 - 1983
(CONTINUED)

APPROPRIATION		LINE ITEM DETAIL		REVENUE ACTIVITY	
FISCAL YEAR	TOTAL APPROPRIATION	FY APPROPRIATION	FY EXPENDITURES		REVENUE RECOVERED
1982[1]	$2,731,907.52				
	100 Personal Services	$1,955,905.00	$1,900,401.71		
	200 Travel	104,600.00	101,513.24	GENERAL FUND:	$ 8,500.00
	300 Contractual - General Fund	518,202.52	425,719.11		
	300 Contractual - Program Rcpts	130,000.00	96,973.00	PROGRAM RECEIPTS:	88,833.50
	400 Commodities	18,100.00	18,053.55		
	500 Equipment	5,100.00	4,840.92		
	TOTAL	$2,731,907.52	$2,547,501.53	TOTAL	$97,333.50
1983	$3,307,581.53				
	100 Personal Services	$2,213,619.00	$2,213,619.00		
	200 Travel	93,100.00	89,881.77	GENERAL FUND:	$ 12,200.00
	300 Contractual - General Fund	671,900.00	668,444.80		
	300 Contractual - Program Rcpts	299,462.53	290,501.80	PROGRAM RECEIPTS:[2]	102,719.05
	400 Commodities	24,500.00	23,939.45		
	500 Equipment	5,000.00	4,887.85		
	TOTAL	$3,307,581.53	$3,291,274.67	TOTAL	$114,919.05

[1] Budget year FY82 forward reflects the combined budgets of former Alaska Pipeline Commission and the APUC following the statutorily mandated merger of these agencies.

[2] In FY 1984, the APUC recovered 360,890.55 in cost allocation revenue not otherwise reflected in this report.

STATUTES AND REGULATIONS

THE STATUTES

The Alaska Public Utilities Commission Act (AS 42.05), enacted in 1970, created a full time administrative agency to regulate public utilities within the State. The jurisdiction of the Commission extends to telecommunications, electric, gas, steam, water, sewer, and garbage utilities as defined by the Act. In 1981, the Legislature amended the Alaska Pipeline Commission Act (AS 42.06) to merge the Alaska Pipeline Commission into the Alaska Public Utilities Commission. The jurisdiction of the Alaska Public Utilities Commission was extended to pipeline carriers and pipelines.

A public utility providing service for compensation to more than ten customers is required to obtain a certificate of public convenience and necessity from the Commission.[1] A certificate describes the nature and extent of authority granted to the public utility, including a description of the authorized service area and the scope of operations of the utility. No certificate may be issued unless the Commission finds that the service is required for the convenience and necessity of the public and that the applicant is fit, willing, and able to provide the utility service requested. Similarly, pipeline carriers subject to the Commission's jurisdiction must secure a certificate of public convenience and necessity. A certificate for pipeline carriers generally includes the same information found in a public utility certificate.

The Commission is responsible for making or requiring just, fair, and reasonable rates, classifications, regulations, practices, services, and facilities for public utilities and pipeline carriers. The Commission has the authority to investigate, hold hearings, prescribe systems of accounts, require the filing of reports, and take other lawful actions necessary to accomplish the stated purposes of AS 42.05 and AS 42.06. The Commission also determines the eligibility of electric utilities for power cost assistance and the KWH subsidy amount under the provisions of AS 44.83.162-164.

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[1] Electric and telephone utilities grossing less than $50,000 are not required to be certificated unless 25% of their customers petition the Commission for regulation.

A number of certificated utilities are exempt from economic regulation by the Commission, including:

(1) public utilities owned and operated by a political subdivision of the State, none of whose utilties is in competition with any other utility, unless the political subdivision elects to be regulated by the Commission;[2] AS 42.05.-711(b)

(2) investor-owned electric or telephone utilities with annual gross revenues of less than $325,000, if the majority of customers elect exemption; AS 42.05.711(f)

(3) utilities, other than electric or telephone utilities, with annual gross revenues of less than $100,000, if the majority of customers elect exemption; AS 42.05.711(g)

(4) cooperative utilities organized under AS 10.25, if the majority of their members elect exemption; AS 42.05.-711(h)

(5) garbage utilities with annual gross revenues of less than $200,000, unless 25% of the customers or customers paying 25% of the utilities' gross revenues have petitioned the Commission for regulation; AS 42.05.711(i)

(6) cable television utilities, unless 25% of the customers petition the Commission for regulation. AS 42.05.-711(k)

Electric and telephone utilities with gross revenues of less than $50,000 are exempt from both certification requirements and economic regulation, unless 25 percent of their customers petition for regulation.

There are five commissioners appointed by the Governor and confirmed by the Legislature for six-year terms of office. In addition to the business, engineering, and law members, there are two consumer members of the Commission.

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[2]The Anchorage Municipal utilities and the Tlingit-Haida Regional Electrical Authority are the only utilities operated by a political subdivision subject to economic regulation.

REGULATIONS

The Commission has adopted regulations necessary and proper to carry out the duties assigned to it by statute.

The Commission's regulations are set out in Title 3, Part 5, Chapter 48 (Practice and Procedure), Chapter 49 (Deregulation), Chapter 50 (Energy Conservation), and Chapter 52 (Operation of Public Utilities) of the Alaska Administrative Code. The Commission also administers regulations adopted by the Alaska Pipeline Commission, Title 3, Part 4A, Chapter 43.

1983 RATE INCREASES GRANTED

	Requested	Granted
Alaska Power & Telephone Company		
(Electric)		
Interim		
Craig	12.98%	0.00%
Hydaburg	12.98%	19.00%
Skagway	24.00%	0.00%
Tok	36.00%	13.00%
Anchorage Sewer Utility (Sewer)		
Interim	20.00%	0.00%
Permanent	28.78%	27.16%
Rate of Return	9.22%	8.62%
Return on Equity	17.00%	15.00%
Anchorage Water Utility (Water)		
Interim	10.60%	10.00%
Channel Sanitation (Refuse)		
Interim	48.14%	24.90%
Permanent	48.14%	11.92%
Rate of Return	12.53%	12.32%
Return on Equity	17.00%	17.00%
Chugach Electric Association, Inc.		
(Electric)		
Interim:		
Wholesale	--- (1)	2.66%
Retail	13.88% (2)	12.49% (2)
Glacier State Telephone Company		
(Telephone)		
Interim	4.075%	4.075%
Permanent Increase (Decrease)	15.61%	(11.44%)
Rate of Return	14.52%	12.71%
Return on Equity	18.50%	15.75%

(1) None Requested.

(2) Increases requested and granted are not comparable due to intervening rate redesign.

1983 RATE INCREASES GRANTED (CONT.)

	Requested	Granted
Haines Light & Power Co., Inc.		
(Electric)		
Permanent	12.99%	10.19%
Rate of Return	14.21%	12.78%
Return on Equity	16.50%	15.00%
Homer Electric Association, Inc.		
(Electric)		
Interim	11.90%	10.35%
Permanent	11.90%	17.93%
TIER[3]	2.10	2.10
Kodiak Electric Association, Inc.		
(Electric) Kodiak Division:		
Interim	10.80%	10.80%
Permanent	17.64%	18.28%
TIER[3]	2.20	2.20
Kotzebue Electric Association, Inc.		
(Electric)		
Interim	11.90%	4.60%
Permanent	11.90%	10.06%
Rate of Return	4.60%	4.60%
Return on Equity	15.00%	15.00%
Matanuska Electric Association, Inc.		
(Electric)		
Interim	8.02%	6.51%
Permanent	8.02%[2]	19.48%[2]
TIER[3]	2.20	2.20
Northway Power & Light, Inc.		
(Electric)		
Interim	33.96%	17.38%
Permanent	33.96%	19.40%
Rate of Return	17.49%	17.00%
Return on Equity	16.00%	16.00%

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[2] Increases requested and granted are not comparable due to intervening rate redesign.

(3) Times Interest Earned Ratio is the ratio of net margins plus interest expense to interest expense. TIER is the mechanism most often used in calculating the allowed return for REA cooperatives.

1983 RATE INCREASES GRANTED (CONT.)

	Requested	Granted
Nushagak Electric Cooperative, Inc.		
(Electric)		
Interim	8.86%	6.08%
Interim	14.25%	6.75%
Permanent	14.25%	7.75%
TIER[3]	2.78	2.20

Pelican Utility Company

Granted a 9.2¢/KWH emergency surcharge on a refundable basis to provide for additional generation expenses incurred due to replacement of plant destroyed by fire.

Valley Water Company, Inc. (Water)		
Interim	109.58%	64.00%
Permanent - Step I	109.58%	67.87%
- Step II (Additional)	----	7.63%
Rate of Return	12.00%	12.00%
Return on Equity	12.00%	12.00%

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(3)Times Interest Earned Ratio is the ratio of net margins plus interest expense to interest expense. TIER is the mechanism most often used in calculating the allowed return for REA cooperatives.

SUMMARY: PHASE I - TAPS PROCEEDING

The massive Trans-Alaska Pipeline System (TAPS) tariff proceeding begun in 1977, which this Commission is conducting concurrently with the Federal Energy Regulatory Commission (FERC), has been divided into two phases. Phase I addressed the appropriate methodology for calculating tariff rates for TAPS. Phase II addresses all remaining issues in the TAPS case and has been subdivided into three distinct parts: cost of construction, non-cost of construction and quality bank. The sole issue in the cost of construction portion is the prudence of expenditures in constructing TAPS. The quality bank portion of the case concerns adjustment of the rate among shippers over TAPS necessitated by differences in the quality of their oil. The non-cost of construction portion concerns dismantling, removal and restoration of the pipeline, a reasonable level of annual operating expenses and all other issues not addressed in other portions of the case.

Hearings in Phase I were held by the Alaska Pipeline Commission (APC), this Commission's predecessor agency, and the FERC during 1978 and 1979 before a Commissioner of the APC and a Federal Administrative Law Judge (ALJ). The FERC ALJ issued his decision adopting an original cost ratebase methodology in February 1980. That decision was immediately appealed to the full Commission which, at that time, also had under consideration the Williams Pipe Line Company case. The Williams case had been designated by the FERC as the precedential case in which the methodology to be used to establish rates for all oil pipelines except TAPS would be decided. On November 30, 1982, FERC issued its decision in the Williams case. Because FERC established a methodology different from the original cost methodology chosen by the ALJ, it remanded Phase I of the TAPS case to the ALJ and directed that evidence be taken on the issue of whether the methodology established in Williams would be appropriate for TAPS. Hearings in the TAPS Phase I remand were held in January of 1984. On March 30, 1984, the United States Court of Appeals for the District of Columbia, to which the Williams case had been appealed, issued its decision remanding the Williams case to FERC. The Court of Appeals directed the FERC to reexamine original cost methodology, among other alternatives. No further action has been taken by the FERC concerning Phase I of the TAPS proceeding since the issuance of the court's decision in Williams.

In Septemer 1980 the APC issued its Phase I decision which also adopted an original cost methodology. That decision was appealed to the Alaska Superior Court, which issued its decision in November 1983 remanding to this Commission complete reconsideration of the case in light of the guidelines set out in the Court's decision. The pipeline carriers petitioned the Alaska Supreme Court for review of that decision and in June 1984 the Supreme Court granted their petition. Briefing in this case is expected to be complete in FY85 with oral argument to follow.